

**Item 1**

**Cover Page**

GOLDENTREE LOAN MANAGEMENT, LP

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*This Brochure provides information about the qualifications and business practices of GoldenTree Loan Management, LP (“GLM”). If you have any questions about the contents of this Brochure, please contact a Business Development representative at 212-847-3500 or by email at [info@GoldenTree.com](mailto:info@GoldenTree.com). 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.*

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

*Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.*

## **Item 2**

### **Material Changes**

Within this section GLM must identify and discuss any material changes made to its Form ADV Part 2A (the “Brochure”) since its last update. There have been no such changes to the Brochure other than certain changes made to reflect that GLM (through its two “Feeder Funds” (GoldenTree Loan Management (US Feeder), LP and GoldenTree Loan Management (Offshore Feeder), LP)) has now accepted third-party investors and, accordingly, GLM may now begin its investment program.

### Item 3

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## Item 4

### GLM's Business

#### A. General Description of the Firm

GLM is a Cayman Islands partnership formed in 2016 and is a registered investment adviser with the United States Securities and Exchange Commission ("SEC"). GLM has various partners which are comprised of third-party investors (and GTAM/GLM personnel) that are limited partners of GLM as well as the General Partner of GLM. GoldenTree Loan Management GP, LLC ("GT GP LLC"), a limited liability company organized under the laws of Delaware, serves as the General Partner of GLM. Steven A. Tananbaum is the Senior Managing Member of GT GP LLC. As such, Mr. Tananbaum has voting control over GLM. Mr. Tananbaum holds a similar position over GLM's affiliate, GoldenTree Asset Management LP ("GTAM"). The current members of the General Partner are all partners of GTAM, a limited partnership organized under the laws of Delaware and an SEC registered investment adviser. Certain current GTAM partners and employees are employees of GLM, while also remaining as partners and/or employees of GTAM (thus serving as dual-employees). Certain other portfolio managers and research analysts, however, that prior to the creation of GLM focused on loan and CLO management at GTAM are solely full-time employees of GLM (their employment transferred from GTAM to GLM). Other employees focused on CLO structuring and compliance at GTAM are also employed by GLM either full-time or jointly with GTAM. In addition, GLM has entered into a services agreement (the "GTAM Services Agreement") with GTAM through which, for a fee, GLM is able to utilize GTAM's sector research, capital markets, structured products, trading, marketing and client services expertise as well as GTAM's administrative, operational and legal/compliance related services. (See Item 10 for more details describing the "GTAM Services Agreement"). In addition, GLM has entered for a fee into an advisory agreement with GTAM (the "Advisory Services Agreement") whereby GLM provides investment advice, on a non-discretionary basis, to GTAM in regard to CLOs managed by GTAM and/or with respect to certain individual investments held in one or more GTAM managed funds/accounts.

GLM offers separate tranches of interests (each such tranche, a "Tranche" and each such interest, an "Interest"), in GLM to certain qualified investors, each of which, if admitted, will become a limited partner of GLM (each, a "Limited Partner," and together with the General Partner, the "Partners").

GLM may offer different series within a Tranche providing for different economic rights. Investors in the initial closing of the first Tranche will receive a series that has preferential rights in regard to fees charged.

GLM has a potential conflict of interest in selecting its affiliated persons to provide investment advisory and other services under the GTAM Services Agreement, as a percentage of the expenses incurred by Limited Partners of GLM remains within GLM's affiliated companies. In addition, GLM and GTAM have a potential conflict of interest in deciding how much time GLM and GTAM personnel spend on GTAM CLO management (or with respect to certain individual

investments held in one or more GTAM manage funds/accounts) as opposed to on GLM. Both the GTAM Services Agreement and the Advisory Services Agreement are intended to be agreed upon in an arms-length negotiation but GLM and GTAM may be viewed as conflicted in setting these rates. GLM mitigates these potential conflicts through disclosure in this Brochure and in offering documents.

#### B. Description of GLM's Services

GLM will manage and invest primarily in collateralized loan obligation funds ("CLOs" or "Clients" or "Funds") that will invest primarily in senior secured bank loans. GLM's investments will consist primarily of equity securities and rated debt issued by CLOs for which it will be the collateral manager. GLM is expected to implement and manage any and all warehouse facilities needed to ramp the loan portfolios of the CLOs. GLM can employ leverage through TRS facilities, cash flow financing, or other warehousing facilities either directly or in SPV/CLO vehicles in order to facilitate an effective ramp up during the warehouse period.

As the CLO manager, GLM is acting as the sponsor of each CLO, and will therefore be required to satisfy the requirements of the U.S. risk retention regulations. GLM expects to comply with the applicable U.S. risk retention regulations by purchasing and committing to retain equity of a CLO equal to 5% of the fair value of all securities issued by such CLO.

Moreover, in regard to managing CLOs, GLM also expects to comply with the European risk retention regulations by acting as an originator that is also managing the securitization. GLM expects to purchase loans directly from the primary and secondary markets. This may or may not be done in connection with warehousing one or more CLOs. GLM expects to sell all or substantially all of the assets it purchases to CLOs it manages after purchasing and retaining the credit risk for a certain prescribed amount of time serving as the originator of those assets with respect to the European risk retention requirements.

Accordingly, in regard to the management of CLOs, GLM will seek to comply with applicable U.S. and European risk retention regulations, and expects to retain initially all of the equity in each CLO it manages. However, it will only commit to retain the required amounts to comply with the risk retention regulations and, accordingly, certain portions of the equity in its managed CLOs may be sold and thereafter held by non-affiliated parties. To this end, GLM has the option to sell any non-retention equity (or any retained debt tranches that it may choose to keep as well). GLM anticipates opportunistically using the secondary market to sell non-retention equity or any retained debt tranches to enhance returns.

C. Availability of Customized Services for Clients

GLM will act as an investment adviser in connection with its management of GLM itself, its management of CLOs, and as a sub-investment adviser (pursuant to the Advisory Services Agreement with GTAM) to multiple GTAM clients and seeks to manage each portfolio according to its investment strategy and objectives as outlined in its respective offering document, organizational document, and/or investment management agreement.

Persons reviewing this Brochure should not construe this as an offering of securities or a solicitation to purchase Interests and/or securities in GLM or any of the CLOs or GTAM funds described herein, which will only be made pursuant to the delivery of an offering circular or private placement memorandum to eligible qualified investors. These offering documents will detail the types of investments that may be purchased/sold.

D. Wrap Fee Programs

GLM does not participate in wrap fee programs.

E. Assets under Management

As of June 30, 2016, GLM had approximately \$475 million in assets under management, all of which are managed on a discretionary basis. Note that the method for computing “assets under management” is different than the method for computing “regulatory” assets under management required for Item 5.F. in Form ADV Part 1.

## Item 5

### Fees and Compensation

#### A. GLM's Fees and Compensation

CLO Clients of GLM are charged an investment management fee that is generally based on the aggregate deal size (i.e., on the amount of assets managed taking into account the effects of leverage) rather than the NAV of the CLOs. The annual management fee for the CLOs is calculated and assessed at the beginning or end of each quarter. To the extent the CLO Manager owns 100% of the equity tranche of a CLO, the CLO Manager expects to charge no fees to the CLO. However, the CLO Manager may charge a market rate senior management fee. However, to the extent any portion of the equity of such managed CLO is sold to an investor not affiliated with GLM, additional management fees may come into effect and be charged with respect to that portion of the equity not held by GLM.

GLM also receive fees in connection with the Advisory Services Agreement. With respect to the sub-advisory services provided to GTAM under the Advisory Services Agreement, a separate fee will be negotiated and charged between GTAM and GLM in regard to the provision of such services. In addition, GLM and GTAM have a potential conflict of interest in deciding how much time GLM and GTAM personnel spend on GTAM CLO management (or with respect to certain individual investments held in one or more GTAM managed funds/accounts) as opposed to on GLM. Both the GTAM Services Agreement and the Advisory Services Agreement are intended to be agreed upon in an arms-length negotiation but GLM and GTAM may be viewed as conflicted in setting these rates. The fees received in the Advisory Service Agreement would first generally be used to offset any monies owed to GTAM under the GTAM Service Agreement.

GLM will charge its Limited Partners (that are not employed by or affiliated with GTAM), an incentive advisory fee (in the form of an incentive allocation) in connection with the management of GLM. This advisory fee will be computed based on Limited Partners first receiving the full return of their contributed capital, then achieving a certain preferred return and thereafter GT GP LLC receiving a certain negotiated incentive fee, to the extent applicable.

#### B. Payment of Fees

Depending upon the CLO Client and the authority granted to GLM, GLM may deduct its fees/allocations from the CLO Client based on the terms of the investment management agreement or offering documents. Generally, however, CLOs will be billed and will authorize payment to GLM. For example, in the case of a CLO, payment is made through an independent trustee signing-off on the payment.

C. Additional Fees and Expenses

Fees and expenses payable by GLM and by CLO Clients are detailed in the offering and disclosure documents of GLM and the CLOs (as well as the GTAM funds/accounts that it sub-advises for) and include, among other things, GLM's own expenses, and certain third-party expenses of the CLOs. Please refer to those documents for important disclosures with respect to these additional fees and expenses. A copy of these documents will be promptly delivered upon request to any Limited Partner of GLM that requests these documents.

D. Prepayment of Fees

Please see responses to Item 5A. above.

E. Additional Compensation and Conflicts of Interest

Neither GLM 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**

To the extent the CLO Manager owns 100% of the equity tranche of a CLO, the CLO Manager expects to charge no fees to the CLO. However, the CLO Manager may charge a market rate senior management fee. To the extent any portion of the equity tranche held by GLM is sold, additional management fees may come into effect only with respect to that portion of the equity not held by GLM. GLM will generally charge a performance-based fee to Limited Partners of GLM (but not for example to GTAM/GLM personnel). Further, GLM's Feeder Funds may enter side letters with their investors whereby different terms are offered, including, but not limited, to different fee and expense terms. For a description of potential side letter arrangements, investors should refer to the Confidential Offering Memorandums of GoldenTree Loan Management (US Feeder), LP and GoldenTree Loan Management (Offshore Feeder), LP. Clients should be aware that performance-based fee/allocation arrangements can create a potential conflict of interest for GLM, as they may create an incentive for GLM to make investments (either for its managed CLOs or those GTAM funds/accounts that it acts as a sub-advisor for) that are riskier or more speculative than it would otherwise make absent a performance fee/allocation.

Accordingly, in situations in which certain CLO Clients (or GTAM's clients) pay performance fees and other CLO Clients (or GTAM's clients) do not, there may be an incentive for GLM to allocate more favorable investment opportunities to those CLO Clients (or GTAM clients) which pay performance fee/allocation. In order to mitigate this potential conflict, GLM (and GTAM as the entity executing transactions for GLM and its Clients) has implemented trade allocation policies and procedures that address the allocation of investment opportunities among clients in accordance with such clients' investment programs, objectives, and investment restrictions (versus allocating transactions based upon performance fee arrangements). In addition, GLM's Chief Compliance Officer, or his designee, regularly reviews trading as described herein. Further, GLM's personnel regularly review portfolios in order to help ensure that all transactions are being allocated in a manner that GLM believes to be in the best interests of all of its CLO Clients.

## **Item 7**

### **Types of Clients**

GLM will, as noted prior, manage one or more CLOs. GLM will also manage CLO accounts and provide investment advice on a non-discretionary basis to GTAM in regard to CLOs managed by GTAM and/or with respect to certain individual investments held in one or more GTAM managed funds/accounts. In regard to its managed CLOs, while GLM expects to maintain all of the equity tranche of any CLO it manages, it may sell a portion of the equity to eligible qualified institutional investors. Similarly, debt related investments in its managed CLOs will be offered to qualified institutional investors. Institutional investors include public and private pension funds, sovereign wealth funds, investment companies, banks, trusts, and insurance companies.

## **Item 8**

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

An investment in GLM involves a high degree of risk, including that risk that the entire amount invested may be lost. For a description of the risk involved with respect to an investment in GLM (and its “Feeder Funds”, GoldenTree Loan Management (US Feeder), LP and GoldenTree Loan Management (Offshore Feeder), LP), investors should refer to the Confidential Private Placement Memorandum for GLM and its Feeder Funds.

## **Item 9**

### **Disciplinary Information**

There are no legal or disciplinary events that are material to an existing or prospective client's evaluation of GLM's advisory business or the integrity of its management.

## **Item 10**

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

#### **A. Broker-Dealer Registration Status**

Neither GLM nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

#### **B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor Registration Status**

Neither GLM nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated of the person foregoing entities.

#### **C. Material Relationships or Arrangements with Industry Participants**

GLM has an affiliated relationship with GTAM and certain partners and employees of GTAM have become employees of GLM on a full-time basis. Moreover, certain current GTAM partners and employees are employees of GLM, while remaining as partners or employees of GTAM and thus will act as dual-employees. GLM will, for a fee, enter into the GTAM Services Agreement, as previously described, with GTAM pursuant to which it will obtain for a negotiated fee research, investment advice, and certain support and administrative services from GTAM. The support services provided by GTAM will include, (and the fees that it charges GLM will relate to) trading, client services, marketing, administrative, accounting, operational structured products compliance and information technology products and services (including, without limitation, certain remuneration costs payable to individuals that are employed by GTAM or its affiliates to perform such functions on behalf of GLM and the costs of computer hardware and software used to perform such functions). The GTAM Services Agreement also includes GTAM's costs associated with occupancy and office space, office support, technology (including, but not limited to, office space, clerical services, equipment (such as trading screens, software, market information charges and other computer and communications equipment), licensing, maintenance, and consultation services in connection with such equipment), trade publications, telephone, communications, research and market data expenses; third party pricing, insurance (including costs relating to directors' and officers' liability insurance and errors and omissions insurance), systems and software used in connection with investment-related activities. GTAM may further delegate certain of these administrative duties to a third party service provider.

GLM has entered into an advisory agreement (noted prior as the Advisory Services Agreement) with GTAM pursuant to which GLM employees will provide certain investment advisory services to GTAM in connection with assisting in the management with CLOs, funds or accounts

managed by GTAM. In return for providing these services, GLM will receive a fee paid by GTAM. This fee will be used to pay certain GLM expenses, including amounts charged under the GTAM Services Agreement.

GLM, through its relationship with GTAM, also has affiliated relationships with non-US managers (e.g., GoldenTree Asset Management UK LLP – “GTAM UK”) that act as the sub-advisor for certain GTAM Clients. GTAM UK is a limited liability partnership created under the laws of the United Kingdom that is owned by GTAM and its principals. The Financial Conduct Authority of the United Kingdom regulates GTAM UK’s investment advisory activities. GTAM UK is located in London, England, and through its relationship with GTAM may provide certain of GLM’s Clients with general investment research services and recommendations, particularly with respect to European securities and markets. GTAM UK is also authorized to execute trades for certain of GLM’s Clients pursuant to the sub-advisory agreement and to select the appropriate broker for such execution. As compensation for services, GTAM UK charges fees and is reimbursed for its reasonable costs that GTAM UK incurs in rendering such services. The fees, as applicable, associated with such services being provided to GLM will be remitted from a portion of the fees paid to GTAM under the GTAM Services Agreement.

In addition, GLM and GTAM have a potential conflict of interest in deciding how much time the GLM and GTAM personnel spend on GTAM CLO management (or with respect to certain individual investments held in one or more GTAM managed funds/accounts) as opposed to on GLM. Both the GTAM Services Agreement and the Advisory Services Agreement are intended to be agreed upon in an arms-length negotiation but GLM and GTAM may be viewed as conflicted in setting these rates.

#### D. Material Conflicts of Interest Relating to Other Investment Advisors

GLM and its partners, officers, employees, affiliates and agents are subject to certain potential or actual conflicts of interest in connection with the activities of, and investments by, GLM.

GLM, GTAM and their affiliates currently do and in the future may serve as investment managers of or advisors to other investment funds and/or managed accounts. In addition, as described further herein, the other investment funds and/or managed accounts managed by GLM and GTAM may actively engage in transactions in the same types of securities and investments that GLM’s CLO Clients will invest in and may compete with GLM’s current CLO Clients for investment opportunities.

The partners, officers and employees of GLM will devote so much of their time to the activities of GLM as they deem necessary and appropriate. GTAM and their affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though for example such activities may be in competition with GLM’s CLO Clients and/or may involve substantial time and resources of certain partners, officers or employees of GLM or GTAM. These activities could be viewed as creating a conflict of interest in that the time and effort of the personnel of GLM or GTAM will not be devoted exclusively to the business of GLM or GTAM, but will be allocated between the business of GLM and GTAM and the management of the monies of other advisees of GLM and GTAM.

A placement agent to GLM, to the extent applicable, and its respective partners, officers, directors, stockholders, members, employees, affiliates and agents may be subject to certain potential or actual conflicts of interest in connection with the activities of, and investments by, GLM. Placement agents that solicit investors on behalf of GLM and its managed CLOs are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. Placement agents to GLM, its managed CLOs and their affiliates may have provided, and may in the future provide, investment banking, commercial banking and other services to the issuers of GLM's investments and to other persons whose activities may affect GLM's investments. Certain of the placement agents to GLM may be equity investors in GLM.

GLM and GTAM use the same legal counsel and the same accountants. Such counsel and accountants should not be deemed to represent the Limited Partners or any debt/equity investors in GLM's managed CLOs. Prospective investors should consult their own legal, tax and accounting advisers with respect to their investment in GLM or any of GLM's managed CLOs.

As an investment adviser registered with the SEC, GLM intends to act in good faith in a manner consistent with its duties under applicable law. However, GLM is subject to various conflicts of interest arising from its relationships with GTAM and its affiliates, which currently do and in the future may serve as investment managers of or advisors to investment funds and managed accounts. In addition, the other investment funds and managed accounts managed by GTAM (the "GoldenTree Funds") may actively engage, and in the future will engage, in a broad spectrum of activities, including direct investment activities and investment advisory activities, and have extensive investment activities (including principal investments by GoldenTree Funds), that are independent from, and may from time to time conflict or compete with GLM's (and its managed CLOs) investment activities. These circumstances could give rise to numerous situations where interests may conflict, including, as further noted herein, the investment by GLM's managed CLOs and other GoldenTree Funds in the same loans, bonds, other securities or assets or in different levels of the capital structure of the same issuer, or other dealings involving GLM and its CLO Clients, on the one hand, and the GoldenTree Funds and/or businesses they invest in, on the other. In addition to what is already described herein, the particular circumstances described below further illustrate some of the conflicts of interest that may arise. However, there can be no assurance that these or other conflicts of interest with the potential for adverse effects on GLM and the Limited Partners will not arise.

GTAM or an affiliate may purchase on behalf of itself, or the GoldenTree Funds, CLO senior notes (or equity) of a CLO in which GLM has invested in CLO equity, in which case they may exercise their rights as investors in CLO senior notes without considering whether their actions may have an adverse effect on GLM's investment in the same CLO. In addition, GTAM and its affiliates may in the future provide advice to GoldenTree Funds, which may follow investment programs substantially similar or different to that of GLM's managed CLOs. Such investments can create a conflict of interest, particularly because GTAM may take certain actions for some funds/accounts with respect to one class of debt or equity that may be adverse to GLM who hold other classes of debt or equity of the same CLO. Further, GTAM may take actions with respect to loans or other assets held within a CLO managed by GLM that may be adverse to GLM's equity or debt investment in that same CLO.

GLM intends to purchase the entire equity tranche of each CLO that it manages. It is only currently required to retain an amount of such equity tranche equal to 5 per cent of the fair value of all of the securities issued by the CLO to comply with the U.S. Risk Retention Rule. If GLM sells any of the equity tranche, it will receive additional management fees from the CLO that it manages with respect to that portion of the equity not held by GLM. This may create an incentive for GLM to sell portions of the equity.

Pursuant to the GTAM Services Agreement, GLM will obtain research, investment advice and certain support and administrative services from GTAM. In return for providing the services, GTAM will receive the GTAM Services Fee paid out of the assets of GLM. A conflict of interest may exist in determining the respective portions of the costs of such services that will be charged to GLM and other GoldenTree Funds that also receive similar services. Members of the GLM will devote so much of their time to the activities of GLM as they deem necessary and appropriate.

GLM will provide certain investment advisory services to GTAM in connection with assisting with its CLOs and funds or accounts managed by GTAM pursuant to the GLM Advisory Agreement. In addition, certain members of GLM will be shared employees of GTAM. Members of GLM will devote so much of their time to the activities of GLM as they deem necessary and appropriate. However, certain members of GLM, on behalf of GTAM (such as dual employees), are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with GLM and/or may involve substantial time and resources of certain personnel of GLM. These activities could be viewed as creating a conflict of interest in that the time and effort of those members of GLM, as they will not be devoted exclusively to the business of GLM, but will be allocated between the business of GLM and the management of the monies of other advisees of GTAM and its affiliates. In return for providing services pursuant to the GLM Advisory Agreement, GLM will receive a negotiated fee.



## **Item 11**

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

#### **A. Code of Ethics**

In order to manage actual or potential conflicts of interest with its managed CLO Client accounts (and where advice is given to GTAM managed funds/accounts), GLM maintains a Code of Ethics (“the Code”) that places restrictions on employee personal securities trading and other conduct. The Code is substantially the same as GTAM’s. Among other things, the Code generally prohibits employees from purchasing or selling any security held by Clients at any time that GLM or GTAM is trading or considering trading in the subject security on behalf of such Clients. The Code also requires employees to obtain prior approval from GLM’s Chief Compliance Officer or designee and consult with portfolio management and trading personnel, before placing a personal securities transaction in those security types subject to pre-clearance (e.g., common stock). Further, the Code requires employees to hold securities subject to GLM’s pre-approval procedures for a certain prescribed period of time. GLM requires that its employees arrange for duplicate trade confirmations and account statements to be provided to GLM’s Chief Compliance Officer or designee with respect to their personal securities transactions.

From time to time in the ordinary course of business, GLM or its employees may accept business meals, business entertainment, or gifts from persons with whom GLM and/or GTAM does business. GLM has included policies and procedures within the Code intended to prevent such activities from unduly influencing employee decisions with respect to managing client accounts (e.g., selection of broker-dealers for execution of client securities transactions).

In certain limited circumstances, GLM’s Chief Compliance Officer or designee may grant exceptions to the policies and procedures contained in the Code of Ethics when he/she believes, based on the particular facts and circumstances, that doing so would not harm GLM’s CLO Clients (or GTAM sub-advised funds/accounts) or otherwise interfere with its fiduciary duties.

GLM has developed and implemented policies and procedures, including those included in the Code, governing the dissemination of material non-public information. These policies seek to control the flow and prevent the potential misuse of material non-public information. As part of its procedures, GLM’s Chief Compliance Officer or designee maintains a restricted list (the “Restricted List”). The Restricted List contains the names of companies about whom parties at GLM, GTAM and/or their affiliates may possess material non-public information (from whatever source) as well as the names of companies with whom GLM, GTAM or their affiliates have agreed to some form of contractual trading restriction (e.g., as a condition to being on a creditors’ committee). Transactions in issuers that are included on GLM’s Restricted List are subject to certain trading restrictions and/or prohibitions, including restrictions on personal securities transactions.

GLM will provide a copy of its Code of Ethics to any existing or prospective Client upon request.

## B. Securities in which GLM or its affiliates have a Material Financial Interest

GLM may purchase or sell for its managed CLOs securities of an issuer in which GLM, its affiliates (including GTAM) or their principals, employees and/or related persons also have a financial position or interest. These situations generally may create a conflict of interest, as GLM may be viewed as entering into a particular investment transaction on behalf of its CLO Clients (or GTAM's managed funds/accounts for which it sub-advises) due to a financial interest in the underlying security by GLM, its affiliates or their principals, employees and/or related persons. Furthermore, this may also present a conflict of interest in that GLM, its affiliates and/or their principals, employees and related persons may purchase a particular investment where a CLO Client (or GTAM's managed funds/accounts for which it sub-advises) purchases the same investment but at a later point in time (as by way of an example the investment is not seen to be initially suitable) and at a different price. In this regard, GLM has adopted policies and procedures intended to prevent and mitigate such potential conflicts of interest. This includes, but is not limited to, the review of portfolio transactions by GLM's Chief Compliance Officer or his designee, a requirement for GLM's employee to obtain pre-approval for certain personal securities transactions, blackout periods that apply to employee trading in securities and issuers that are also held in CLO Client accounts (and GTAM managed funds/accounts), and minimum holding periods that apply to securities that are purchased by employees.

## C. Investing in Securities that GLM or its Affiliates Recommend to Clients

GLM may recommend to its CLO Clients (and the GTAM managed funds/accounts for which it sub-advises) the purchase or sale of securities of an issuer in which GLM, its affiliates (including GTAM) and/or their principals, employees and/or related persons also invest. Furthermore, Principals and employees of GLM and its affiliates whose primary responsibilities are portfolio management and research analysis may, subject to GLM's Code of Ethics, engage in personal securities transactions in which the underlying issuer is within his or her sector of coverage. This may present the appearance of a conflict, namely that GLM is trading in a particular investment on behalf of its CLO Clients (or the GTAM managed funds/accounts for which it sub-advises) because of a financial interest in the underlying security by employees and/or related persons of GLM and its affiliates, or that employees who trade in issuers within their coverage sector are taking for themselves investment opportunities that may be suitable for one or more of GLM's CLO Clients (or GTAM funds/accounts). Furthermore, this may also present a conflict of interest in that GLM, its affiliates and/or their principals, employees and related persons may purchase a particular investment where a CLO Client (or a GTAM managed fund/accounts for which it sub-advises) purchases the same investment but at a different point in time (as by way of an example the investment is not seen to be initially suitable for the CLO Clients and/or the GTAM managed funds/accounts) and at a different price. In this regard, GLM has adopted policies and procedures intended to prevent and mitigate such potential conflicts of interest. This includes, but is not limited to, the review of portfolio transactions by GLM's Chief Compliance Officer or his designee, a requirement for GLM's employee to obtain pre-approval for certain personal securities transactions, blackout periods that apply to employee trading in securities and issuers that are also held in CLO Client accounts (and GTAM funds/accounts), and minimum holding periods that apply to securities that are purchased by employees.

#### D. Conflicts of Interest Created by Contemporaneous Trading

Please also see response to Item 12(B).

GLM may engage in securities transactions and investment strategies for one CLO Client that may differ from the transactions and strategies executed on behalf of another CLO Client of GLM or a client of any of its affiliates (which it sub-advises), including GTAM. Accordingly, GLM may invest in certain securities or loan instruments of a particular issuer for one CLO Client, but invest in a different part of the same issuer's capital structure (or in different classes of debt) for another CLO Client (or a client of GTAM may invest in a different security/loan of the same issuer). To this end, GLM has and may continue to purchase on behalf of CLO Clients different classes of debt of the same issuer and debt and equity of the same issuer for different CLO Clients (or a client of GTAM may invest in a different security/loan of the same issuer). These and other investments can be deemed to create conflicts of interest, particularly because GLM (or GTAM for its clients) can take certain actions for some CLO Clients that can have an adverse effect on other CLO Clients or itself (for example, in connection with restructuring and reorganization situations). In such cases, GLM will seek to act in a manner it reasonably believes to be equitable to all CLO Clients under the circumstances (including GTAM's managed funds/accounts for which it sub-advises). However, in such cases GLM's actions and decisions can ultimately not be to the benefit of all CLO Clients (including GTAM's managed funds/accounts for which it sub-advises) as if only one class of securities had been owned. Further, if GLM (or GTAM) becomes a member of creditors' committee due to its bank loan holdings in a particular issuer, it may be restricted from trading on behalf of other CLO Clients who hold securities of the same issuer (including GTAM's managed funds/accounts for which it sub-advises). CLO Clients (and investors in the CLOs) should be aware that conflicts will not necessarily be resolved in favor of their interests, and GLM will attempt to resolve such matters fairly, but even fair resolution can be resolved in favor of other CLO Clients (or clients of GTAM), including CLO Clients (or GTAM's managed funds/accounts), that pay GLM or its affiliates higher fees or performance fees or in which GLM or its affiliates have a significant proprietary interest.

#### E. Other Conflicts

From time to time, GLM and/or its principals donate to charitable organizations that are supported by its Limited Partners, investors in GLM's managed CLOs and/or GTAM's clients and/or are supported by an individual employed by any one of such parties. In general, those donations are made in response to requests to GLM and/or GTAM. In the case of donations being made by GLM, such contributions are generally approved prior pursuant to its internal policies.

## **Item 12**

### **Brokerage Practices**

#### **A. Factors Considered in Selecting or Recommending Broker-Dealers for Execution of Client Transactions.**

GLM will rely on the GTAM Services Agreement whereby GLM will effect brokerage transactions on behalf of its managed CLO Clients through GTAM's Trading Department. Orders for GLM CLO Clients will not be executed unless approved by GLM itself. In connection with the GTAM Services Agreement, GTAM has developed and implemented policies and procedures that govern the review and approval of broker-dealers and counterparties that may be utilized to execute transactions, including those orders executed for GLM's managed CLOs (and GTAM's funds/accounts sub-advised by GLM). GTAM will place orders for the execution of portfolio transactions for GLM in accordance with its trade management policies. A copy of these policies is available upon request. Best price, giving effect to commissions/commission equivalents and other transaction costs, if any, is normally an important factor in determining where to execute a transaction, but the selection also takes into account the quality of brokerage services, including such factors as execution capability, willingness to commit capital, creditworthiness and financial stability, clearance and settlement capability, and the provision of research and other services. Among the many criteria considered when selecting an executing counterparty, key considerations can also include the counterparty's ability to provide research information on particular securities and/or sectors, generate trade ideas, provide access to its research analysts, and arrange meetings with issuer representatives. Accordingly, while GTAM will seek best execution for transactions in light of these factors, it will not always seek to execute transactions at the best available price or commission.

Funds managed by broker-dealers utilized by GTAM or affiliates of such broker-dealers (a "broker-dealer fund"), as well as registered representatives of such broker-dealers, may be investors in the Funds managed by GTAM or the CLOs by GLM. Certain of these broker-dealer funds that invest in GTAM's Funds or GLM's CLOs may invest under different terms with respect to their investment. This may create a potential conflict of interest for GTAM when selecting brokers and dealers to execute securities transactions. In order to mitigate this potential conflict, GTAM periodically evaluates its "Approved Brokers" list based on a range of best execution considerations irrespective of these arrangements. These factors include the overall quality of brokerage services, execution capability, willingness to commit capital, creditworthiness and financial stability, clearance and settlement capability, and the provision of research and other services. Brokers are added to the list after review by senior personnel of GTAM. Further, GTAM maintains a Trade Management Oversight Committee comprised of senior personnel that reviews the brokers on the Approved Brokers list as potential creditworthiness or other pertinent issues are brought to its attention.

In selecting broker-dealers for execution, GTAM does not engage in the practice of directing order flow to broker-dealers in exchange for client referrals from such broker-dealers.

## B. Cross Transactions and Principal Transactions

In lieu of executing a purchase or sale transaction in the open market via a broker-dealer, GTAM, on behalf of its clients or GLM's managed CLO Clients, may engage in a "cross transaction" between client accounts in which one client will purchase securities held by another client with such cross transactions executed directly or through unaffiliated broker-dealers. For purposes of this section relating to crossing transactions, these cross transactions may involve either CLO Clients of GLM or those of its affiliates, including GTAM. Accordingly, a crossing transaction between a GLM managed CLO and a GTAM managed fund would be covered under GLM's and GTAM's crossing procedures. GLM may effect a cross transaction under certain circumstances including, for example, if, as a result of divergent liquidity or strategic objectives, GLM determines to reduce one CLO Client's exposure to a particular investment and increase another CLO Client's exposure to that investment (or to take similar action for a GTAM fund/account that it provides sub-advisory services). GLM may also, in limited circumstances, engage in a principal transaction whereby an affiliate of GLM will purchase or sell securities from or to a CLO Client account (or an account in which it sub-advises for GTAM) where such transaction is otherwise not considered suitable for a CLO Client account (or for an account in which it sub-advises for GTAM). GLM may effect a principal transaction in circumstances involving, for example, a CLO Client (or an account in which it sub-advises for GTAM) that is fully liquidating its managed account and holds certain illiquid investments for which there is no readily available market.

GLM, in regard to its management activities, must determine that the cross or principal transaction is in the best interests of all CLO Clients involved (including an account it sub-advises for GTAM) and at a price that has been determined by reference to independent market indicators or another independent valuation basis. Cross and principal trades for which the price is determined based on a good-faith determination of fair value (in instances in which exchange quotations, pricing vendor, or broker-quotes are not available) will be valued using an independent pricing agent. The execution price may also be established by means of a contemporaneous purchase or sale in the open market by a CLO Client account (or GTAM fund/account), or through a BWIC process in which the best bid received in the BWIC would be used as the execution price. Finally, the execution price may also contain a discount to the observed independent price but only if the discount is approved by GLM's Chief Compliance Officer or designee and: (a) is determined either by written agreement between GLM (or GTAM) and a managed account (in the case for a separately managed account it sub-advises for GTAM), or (b) is determined by an independent third party as being deemed appropriately applied based upon the facts and circumstances involved. Depending upon the facts and circumstances involved, a discounted execution price used in a cross or principal transaction may not necessarily be factored into the fair market valuation for the security involved on an ongoing basis. Thus, in some circumstances, a security traded in a cross or principal transaction may be marked up or down immediately following execution. While CLO Clients (or GTAM managed funds/accounts in which GLM sub-advises) may pay commissions in cross transactions to unaffiliated broker-dealers, neither GLM nor any related person receives any commissions or other transaction-based compensation in connection with cross transactions.

Unless otherwise permitted in the case of a GTAM separately managed client (in which GLM sub-advises), an independent director or advisor of a GLM CLO Client (or a GTAM client) will generally approve cross and principal trades prior to settlement. GLM's and GTAM's principals and employees can have an interest (e.g., a personal investment) in the funds/accounts that are engaging in cross transactions. The Chief Compliance Officer of GLM as well as a member of GLM's and GTAM's Trading Department must review and approve each cross and principal transaction internally prior to settlement.

### C. Aggregation of Client Orders and Allocation of Investment Opportunities

Consistent with its obligation to seek best execution, GLM notes that GTAM may, when executing orders for funds/accounts (including orders executed for GLM and its managed CLOs) aggregate purchase and sale orders of securities, commodities, and other financial instruments held by a client with similar orders being made simultaneously for other clients of GLM and/or GTAM (a "Bunched Order"), if, in GTAM's reasonable judgment, such aggregation would result in an overall economic benefit to all participating funds/accounts based on relatively better purchase or sale prices, lower commission expenses, beneficial timing of transactions, or a combination of these and other factors.

While GTAM generally makes portfolio decisions for similarly situated clients on an aggregated basis, it is not required to do so if portfolio management decisions for different clients are made separately, or if GTAM determines that bunching or aggregating would be inconsistent with its obligation to seek best execution for client orders.

Where securities acquired in a Bunched Order are acquired at different prices or different costs (as prevailing trading activity frequently may make it impossible to receive same price or execution on the entire volume of securities purchased or sold) GTAM will average the various prices and costs among participating clients. Thus, the effect of the aggregation may operate on some occasions to a particular client's disadvantage.

GLM and its affiliates, such as GTAM, manage a variety of funds/accounts that may pursue one or more investment strategies and objectives. Certain funds/accounts share similar investment strategies and objectives while others differ. A particular investment may be deemed suitable for one fund/account but not another or may be deemed potentially suitable for a range of client accounts. GLM and GTAM when allocating investments among funds/accounts and, in particular, when determining whether to allocate to a fund/account, to include a particular fund/account in an aggregated order involving multiple funds/accounts, and/or the fund/account's percentage participation in a Bunched Order, GLM and GTAM will consider a number of factors (collectively, "Allocation Factors"). In general, funds/accounts will be allocated investments by GLM and GTAM on a pro rata average price basis, subject to the Allocation Factors, where a different allocation may be imposed, as follows:

- Investment strategies and objectives including, when applicable, distinguishing what GLM or GTAM deem to be the primary or "core" strategy/objective for one client and a non-primary or "accent" strategy/objective for another client;
- Net investment exposures at an issuer, security/position, and asset class level;

- The client's target return profile and risk tolerance;
- client-imposed investment guidelines/restrictions (e.g., issuer country restrictions, credit rating restrictions);
- Timing of investments (e.g., if the agreements required for particular types of trading or investments for a client's accounts are not yet in place);
- In the case of CLOs for which GLM or GTAM acts as collateral manager, compliance tests, restrictive covenants, or credit ratings agency requirements that mandate certain portfolio characteristics, ratios, or measures be maintained (e.g., GLM or GTAM may allocate a particular bank loan investment with a shorter dated maturity to a CLO in order to maintain or improve its compliance with a weighted average maturity test);
- Cash availability/buying power on an absolute basis and relative to similarly situated Clients;
- Liquidity requirements, including pending or anticipated contributions and redemptions;
- Financing considerations (e.g., a particular investment may provide a more favorable advance rate with respect to borrowing from a prime broker and therefore may be particularly suitable for a leveraged strategy; GLM or GTAM may determine that it will finance a particular investment as part of a repurchase agreement ("repo") and the availability of repo financing from counterparties may be material in determining the accounts to which the opportunity will be allocated);
- Any minimum denominations or increments to which trading in the security or instrument is subject;
- Whether allocating on a pro-rata basis would result in a position that is too small to be meaningful (i.e., the allocation would result in a weighting materially below the target exposure level) or uneconomic (for example, based on a transaction fee charge) for any participating client account;
- Legal or regulatory restrictions;
- Tax considerations; and
- The nature and size of the Bunched Order, as applicable.

GLM and GTAM will also consider the extent to which a particular fund/account is deemed fully invested or "ramped" when allocating investment opportunities. In general, GLM and GTAM will seek to establish a targeted ramp-up time frame, which is based on the investment objectives and guidelines of the underlying fund/account and the then current market conditions. During

the applicable ramp-up period the affected fund/account may receive priority with respect to certain allocations of investments. The ramp-up period may be extended depending on the amount actually invested by a fund/account and the then current market conditions. With respect to CLOs for which GLM or GTAM acts as collateral manager, the ramp-up period will include the period in which the CLOs will warehouse bank loan positions prior to the closing of the transaction.

Due to these Allocation Factors, among other things, not all GLM CLO Clients, even GLM CLO Clients that pursue the same or similar investment strategies as other GLM or GTAM Clients, may participate in the allocations of investment opportunities of all other CLO Clients of GLM or GTAM, particularly where an investment opportunity is in limited supply. To the extent a CLO Client does not participate in an allocation or a Bunched Order, but seeks to purchase the subject investment at a later point in time, this may cause the CLO Client to receive an allocation at a better or worse execution price or to not receive an allocation at all. The foregoing paragraph would also apply to GTAM's funds/accounts that are involved in similar investment strategies as the GLM CLO Clients that seek to purchase similar investments as well.

With respect to brokerage orders for its managed CLOs, GLM will generally prepare a written pre-allocation statement prior to execution for all orders for its various CLO Clients by GTAM. A written pre-allocation statement would also be prepared for GTAM's funds/accounts that GLM sub-advises. However, in certain circumstances, orders may be executed without the preparation of a written pre-allocation statement, for example: (i) where GLM is presented with an immediate request to purchase or sell a block of securities by a broker and faces potential market risk or lost opportunity if the order is not executed promptly, or (ii) the investment is reviewed by various portfolio management personnel as potentially appropriate for a number of funds/accounts and because more time/attention is needed to determine the final allocation, or (iii) where the securities are being traded in response to a "bid wanted" list where the exact securities to be acquired may not be known at the time that an order is placed. In circumstances in which a pre-allocation statement has not been prepared in advance, orders may be executed provided that a written allocation statement is prepared as soon as possible after the execution of the trade (but no later than the end of the relevant trading day, unless otherwise approved by GLM's Chief Compliance Officer or designee).

#### D. Allocation of New Issues

GLM (and GTAM in executing orders for GLM) seek to purchase new debt issues ("New Issues") for all eligible accounts and seeks to allocate them in a fair and equitable manner. The two general methods involve either allocating New Issues under its standard policies and procedures, subject to the Allocation Factors noted above, or allocating orders to specific accounts on a rotational basis (which can include GTAM's clients in such rotation). The rotational method is utilized when GLM, at the time of purchase, intends to sell the New Issue in the immediate aftermarket (generally either on the same or next business day). As a general rule, separate rotating schedules will be kept for each primary security type relevant to the accounts that would purchase such securities.



#### E. Trade Errors

In order to address potential conflicts of interest that may arise in connection with trading errors, GLM has adopted trading error correction policies and procedures reasonably designed to detect and promptly correct trading errors by GLM. GLM will consider a number of factors in determining how to best resolve an error. Due to GTAM's involvement in transacting for GLM's Clients, GLM also will monitor trading that occurs through GTAM to identify and address any errors related to such trading.

## **Item 13**

### **Review of Accounts**

#### **A. Frequency and Nature of Review of Client Accounts or Financial Plans.**

GLM personnel review CLO Client accounts and portfolios on a regular and routine basis (including for GTAM funds/accounts that it may sub-advise). Transactions are reviewed, for among other things, to confirm compliance with investment restrictions and to review whether trade allocations have been made in a manner consistent with GLM's policies and procedures and its disclosures to CLO Clients (see "Allocation Factors"). In addition, GLM's Chief Compliance Officer or designee periodically selects a sample of representative transactions to review whether they were executed within the prevailing market. In the event that an impermissible entry or other trading error with respect to a CLO Client account is identified during these reviews, such error will be identified and corrected as expeditiously as possible and in accordance with GLM's trading error correction policies (see above).

#### **B. Factors Prompting Review of Client Accounts Other than on Period Review**

In addition to the regular reviews noted above, GLM's Chief Compliance Officer or his designee will review specific trading to the extent specific circumstances arise, such as whether a proposed allocation may create a conflict of interest or if a trading error occurs (which are described in further detail in Item 12).

#### **C. Content and Frequency of Account Reports to Clients**

Investors in the GLM's managed CLOs will generally receive reports from the Trustee for the CLO as to the CLO's compliance with the underlying indenture and the general performance of the vehicle. While all investors generally receive similar information, to the extent an investor receives information that is not otherwise provided in a CLO's regular reports to investors, such information may provide such investor with greater insight into the CLO's activities. This may enhance such investor's ability to make investment decisions with respect to the CLO.

## **Item 14**

### **Client Referrals and Other Compensation**

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

Other than what is described within this Brochure, regarding the Advisory Service Agreement with GTAM, no other person, other than CLO Clients, provides an economic benefit to GLM for providing investment advice or other advisory services to its Clients.

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

GLM or its affiliates, rather than any of its CLO Clients, may pay third parties who introduce investors to it a portion of the advisory fees, as applicable, that GLM or its affiliates receive.

## **Item 15**

### **Custody**

GLM and its affiliates do not hold CLO Client funds or securities or have the authority to obtain possession of them for purposes other than authorized trading. With respect to GLM itself, GT GP LLC and its affiliates do have custody, however, GLM is subject to an annual audit by an independent public accountant registered with the Public Company Accounting Oversight Board (PCAOB) and distribute audited financial statements to the Limited Partners of GLM within 120 days of GLM's fiscal year-end.

## **Item 16**

### **Investment Discretion**

As stated above, GLM and its affiliated entities have been granted discretionary trading authority over its managed CLO Clients through the investment management agreements with, or organizational documents of, the CLO Clients. In the case of the CLOs, limitations as to the discretion that may be utilized is outlined in the Funds' offering documents, indentures, and investment management agreements.

## **Item 17**

### **Voting Client Securities**

#### **Policies and Procedures Relating to Voting Client Securities**

Within their investment management agreement or other CLO Client related documentation, the managed CLOs generally grant GLM authority to vote their securities. In the case of debt securities, voting items generally pertain to amendment and consent requests (e.g., a request to amend a bond's indenture) as well as bankruptcy and reorganization proposals, as applicable (e.g., a proposal to restructure a debt security where the underlying issuer is in bankruptcy). It is expected that generally GLM and GTAM will vote similarly where portfolio holdings are held in both of their managed portfolios.

In the case of equity investments, GLM maintains a Proxy Policy (substantially similar to GTAM's). The Proxy Policy stems from the fiduciary obligations that GLM has to its CLO Clients (and any GTAM fund/account that it may sub-advise where it provides voting recommendations to GTAM) regarding GLM's authority to vote their proxies and provides GLM with a demonstrable framework to allow it to act in the best interests of its Clients and to place the interests of its Clients before its own.

A copy of the Proxy Policy will be provided, upon request, to any investor in a CLO Client that has given GLM authority to vote its proxies.

## **Item 18**

### **Financial Information**

GLM does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and, thus, has not included a balance sheet of its most recent fiscal year. GLM is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has GLM been the subject of a bankruptcy petition at any time during the past ten years.