

ITEM 1 COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

Greywolf Loan Management LP

4 Manhattanville Rd. Suite 201 Purchase, NY 10577

April 2017

This brochure provides information about the qualifications and business practices of Greywolf Loan Management LP (“**GLM**”). If you have any questions about the contents of this brochure, please contact GLM’s Chief Compliance Officer, Chris Samios, at (914) 249-7836 or Chris.Samios@greywolfcapital.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.

Registration with the SEC does not imply any level of skill or training.

Additional information about us also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 MATERIAL CHANGES

This is Greywolf Loan Management LP's initial Form ADV, Part 2A filing.

ITEM 3 TABLE OF CONTENTS

	<u>Page</u>
ITEM 1 COVER PAGE.....	1
ITEM 2 MATERIAL CHANGES	2
ITEM 3 TABLE OF CONTENTS.....	3
ITEM 4 ADVISORY BUSINESS	4
ITEM 5 FEES AND COMPENSATION	5
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	7
ITEM 7 TYPES OF CLIENTS.....	8
ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	9
ITEM 9 DISCIPLINARY INFORMATION.....	18
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	19
ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	22
ITEM 12 BROKERAGE PRACTICES.....	24
ITEM 13 REVIEW OF ACCOUNTS	26
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION	27
ITEM 15 CUSTODY	28
ITEM 16 INVESTMENT DISCRETION	29
ITEM 17 VOTING CLIENT SECURITIES	30
ITEM 18 FINANCIAL INFORMATION	31
Brochure Supplements: To be provided under separate cover.	

Note: This Form ADV Part 2A has been prepared on the basis of the facts and circumstances that Greywolf Loan Management LP expects will apply in the second quarter of 2017, when GLM expects to commence providing investment advisory services.

ITEM 4 ADVISORY BUSINESS

Greywolf Loan Management LP (“GLM”) is a Delaware limited partnership formed in February 2017.

GLM provides certain investment advisory and administrative services to pooled investment vehicles that are issuers of collateralized loan obligations (the “CLOs”) and their related loan warehouse vehicles (the “CLO Warehouses” and together with the CLOs, “Greywolf CLO Products”), typically pursuant to a collateral management agreement or similar management agreement (each, a “**Management Agreement**”). GLM expects to generate all of its advisory billings from the foregoing services. While GLM may in the future provide investment advisory services relating to other types of investments and asset classes, it is expected that GLM’s investment advisory services will generally be limited to CLOs and CLO Warehouses.

GLM tailors its advisory services to the individual needs of each Greywolf CLO Product. GLM has discretion over the sourcing, selection, acquisition, monitoring, disposition and reinvestment of each Greywolf CLO Product’s assets, in each case in accordance with terms of its Management Agreement with such client, the client’s offering circular (each, an “**Offering Circular**”) and other applicable organizational or operative documents governing the client (collectively, the “**Operative Documents**”). Each Greywolf CLO Product’s Operative Documents may provide more detailed descriptions of each such client’s investment objectives and may contain investment guidelines, policies, or restrictions. In addition, GLM operates under basic policies and principles applicable to the conduct of its investment advisory business. These policies and principles are based upon general concepts of fiduciary duty, the specific requirements of the Investment Advisers Act of 1940, as amended (the “**Investment Advisers Act**”), the rules and regulations promulgated thereunder, and GLM’s internal policies.

GLM also holds certain interests, including “risk retention” interests, in the CLOs.

Jonathan Savitz, William Troy, James Gillespie, Joseph Marconi and Brett Bush are limited partners in GLM. GLM is controlled by its general partner, Greywolf GP LLC, a Delaware limited liability company controlled by Jonathan Savitz.

GLM has not begun operations as of the date hereof and does not have any assets under management.

ITEM 5 FEES AND COMPENSATION

While the fees and compensation arrangements vary by each Greywolf CLO Product, GLM generally receives management fees, and may also receive performance fees or other performance-based compensation, in connection with the services it provides to each client as collateral manager. Details regarding the terms of GLM's management fees and performance-based compensation, including their calculation and payment, are set forth in the Operative Documents of the applicable Greywolf CLO Product. GLM's management fees and performance-based compensation are generally negotiable and may be based on a variety of factors, including the nature of the client's strategy and investments.

Management Fees

Management fees payable by a CLO to GLM are generally structured such that a portion of the management fee will be payable as a senior collateral management fee and a portion will be payable as a subordinated collateral management fee. Management fees are payable quarterly in arrears and are deducted from the CLO's account. Management Fees are payable only to the extent that funds are available for distribution under the priority of payments set forth in the CLO's Operative Documents. GLM may, acting in its discretion, elect to waive all or any portion of the management fees payable to GLM by any CLO on any payment date.

Performance-Based Compensation

GLM is also entitled to receive performance-based compensation from a CLO, generally structured as an incentive collateral management fee. Performance fees are deducted from the CLO's account and are payable quarterly in arrears. Performance Fees are payable only to the extent that funds are available for distribution under the priority of payments set forth in the CLO's Operative Documents. GLM may, acting in its discretion, elect to waive all or any portion of the performance fees payable to GLM by any CLO on any payment date.

GLM structures any performance-based compensation in accordance with Section 205(a)(1) of the Investment Advisers Act and the rules and regulations promulgated thereunder, including the exemption set forth in Rule 205-3 permitting performance fee arrangements with "qualified clients."

Additional CLO Expenses and Fees

In general, GLM will be responsible for all of its ordinary expenses incurred in the performance of its obligations under the Management Agreements, including the ordinary expenses and fees paid by any third party employed by GLM. However, each CLO will reimburse GLM for expenses, including fees and out-of-pocket expenses reasonably incurred by GLM in connection with the services under the applicable Management Agreement with respect to: (i) any fees, expenses or other amounts payable to the rating agencies, the collateral administrator, the trustee, independent accountants appointed under the CLO's indenture or any other accountants of the CLO; (ii) reasonable expenses incurred by the GLM to employ outside legal advisers, consultants, rating agencies, accountants, brokers and other professionals retained by the CLO or GLM (on behalf of the CLO) reasonably necessary in connection with the evaluation, transfer, restructuring, default or enforcement of any collateral obligation or any proposed purchase of a collateral obligation by the CLO (excluding costs or fees associated with obtaining

investment research in the ordinary course) and any reasonable fees and expenses incurred by GLM in obtaining advice from legal advisers or consultants with respect to its obligations under the Management Agreement; (iii) asset pricing and asset rating services, compliance services and software, and accounting, programming and data entry services directly related to the management of the CLO's assets and any similar expenses determined by GLM to be primarily related to providing the proper (technological and other) infrastructure for GLM in connection with the CLO's investments and operations (for instance, allocable fees and expenses relating to the installation, servicing and maintenance of, and consulting with respect to, information technology items that primarily serve GLM in connection with the management and administration of the CLO and its assets); (iv) brokerage commissions, transfer fees, registration costs, taxes and other similar costs and any and all costs and expenses incurred in connection with the acquisition, disposition of investments on behalf of the CLO (whether or not actually consummated) and management thereof, including attorneys' fees and disbursements; (v) premiums for directors' and officers' liability insurance and (vi) any expenses as otherwise agreed upon by the parties. The types of expenses borne by a particular CLO are set forth in the CLO's Operative Documents. These charges, fees, and expenses are exclusive of and in addition to the management and performance fees payable to GLM.

GLM does not receive a brokerage commission or any other compensation attributable to the sale of securities or investment products, and its personnel do not receive such compensation. Please see Item 12, Brokerage Practices, below for a further discussion of GLM's brokerage practices.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

While the specific terms may vary by each CLO, in general, GLM receives a senior collateral management fee, a subordinated collateral management fee, and an incentive collateral management fee from each CLO for the services it provides under its Management Agreement with the CLO. Please see Item 5, Fees and Compensation, above. The fee terms applicable to a CLO are set forth in further detail in the CLO's Operative Documents.

GLM does not currently charge clients other types of fees, such as an hourly or flat fee.

Performance-based compensation arrangements may create an incentive for GLM to recommend investments that may be riskier or more speculative than those that it may recommend under a different fee arrangement. In the allocation of investment opportunities, performance-based compensation arrangements may also create an incentive for GLM to favor: (i) accounts with performance-based compensation arrangements over accounts that are not charged, or from which it will not receive, performance-based compensation; and (ii) accounts from which it will receive larger performance-based compensation over accounts from which GLM will receive smaller performance-based compensation. GLM has adopted Trade Allocation Policy and Procedures (the "**Allocation Procedures**") designed to ensure that all of its clients are treated fairly and equally and to mitigate the influence that such conflicts may have on the allocation of investment opportunities among its clients. GLM will generally offer clients the right to participate in all investment opportunities that it determines are appropriate for the clients in view of relative amounts of capital available for new investments, the investment programs of the clients, portfolios of the clients, and certain other factors. In accordance with the Allocation Procedures, GLM will endeavor to treat each of its clients in a fair and equitable manner. The Allocation Procedures are described in further detail in Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, below.

ITEM 7 TYPES OF CLIENTS

GLM currently provides investment advisory services to CLOs and CLO Warehouses, which are generally open for investment by investors who meet certain suitability requirements as set forth in the client's Operative Documents. Each Greywolf CLO Product may have a minimum investment amount specified in its Operative Documents. In general, investors in the Greywolf CLO Products are generally required to be (i) a non-U.S. person, or (ii) a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933 (the "**Securities Act**")) and "qualified purchasers" (as defined under the Investment Company Act of 1940). Clients of GLM affiliates, including other pooled investment vehicles managed by GLM affiliates, may also invest in the CLO and the CLO Warehouses. Additional information regarding investor suitability requirements for a Greywolf CLO Product are available in the Operative Documents of such Greywolf CLO Product.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

GLM's investment strategy focuses primarily on CLOs and CLO Warehouses. GLM takes a fundamental analysis approach to investing. GLM's investment process is designed with the objective of leveraging the experience of the Greywolf Group's research and portfolio professionals in a broad range of sectors, products and geographic regions. Investment recommendations are vetted by the portfolio managers for suitability for each CLO and will take into account the CLO's specific requirements and constraints.

As a general matter, GLM may use various methods of analysis, including charting, economic, fundamental, cyclical, technical, and quantitative analyses. In addition, the principals and members of GLM's investment team have developed their own methodology and resources to assist in the identification of opportunities in the relevant markets. GLM also utilizes the relationships that its principals and other members of the investment team have developed throughout their careers to identify and analyze investment opportunities.

Material Risks Relating to GLM's Strategies

The investment strategies employed by Greywolf for the CLOs are generally speculative and entails substantial risks. Below is a non-exhaustive summary of some of the risks associated with an investment in CLOs. This summary does not attempt to describe all of the risks associated with an investment in CLOs or to provide a complete description of any of the individual risks referenced. Investors should carefully review the Operative Documents, including, without limitation, the Offering Circular, of each Greywolf CLO Product for a further discussion of the risks associated with an investment in the vehicle.

Risk of Loss. All investments involve the risk of loss of capital. While GLM seeks to implement the investment programs and research techniques to moderate this risk through a careful selection of investments, no guarantee or representation is made that a particular CLO's investment program will be successful. An investor may lose all of its investment in a CLO. Past results of GLM or any CLO managed by GLM or its affiliates are not necessarily indicative of the future performance of GLM or any CLO.

General Economic and Market Conditions. The success of the CLOs will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws and regulations, trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations), any of which may result in substantial loss to a CLO. In addition, the business, financial condition or results of operations of the obligors on the collateral obligations held by a CLO may be adversely affected by a worsening of economic and business conditions. To the extent that economic and business conditions deteriorate or fail to continue to improve, non-performing assets are likely to increase, and the value and collectability of a CLO's assets are likely to decrease. There can be no assurance that investors in a CLO will not suffer material losses and other adverse effects from broad and

rapid changes in market conditions in the future. Investors should realize that markets for the financial instruments in which the CLOs seek to invest may correlate strongly with each other at times or in ways that are difficult for us to predict. Even a well-analyzed approach may not protect a CLO or its investors from significant losses under certain market conditions.

Governmental Actions. Changes in legislation, together with uncertainty about the nature and timing of regulations that will be promulgated to implement such legislation, may create uncertainty in the credit and other financial markets and create other unknown risks. In particular, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”), which was signed into law on July 21, 2010, includes provisions that are expected to have a broad impact on credit and other financial markets. The Dodd-Frank Act imposes a new regulatory framework on the U.S. financial services industry and the consumer credit markets in general, and proposed regulations by the Securities and Exchange Commission (the “**SEC**”) that, if enacted, would significantly alter the manner in which asset-backed securities, including securities similar to the CLO securities, are issued and structured and increase the reporting obligations of the issuers of such securities. Given the broad scope and sweeping nature of these changes and the fact that not all final implementing rules and regulations have yet been enacted, the potential impact of these actions on the CLOs, the CLO securities and investors is unknown, and no assurance can be made that the impact of such changes would not have a material adverse effect on the prospects of a CLO or the value or marketability of the CLO securities. In particular, if existing transactions are not exempted from any such new rules or regulations, compliance with such rules and regulations could impose significant costs on a CLO and could have a material adverse effect on investors in the CLO. No assurance can be made that the U.S. federal government or any U.S. regulatory body (or other authority or regulatory body) will not continue to take further legislative or regulatory action, and the effect of such actions, if any, cannot be known or predicted.

Highly Volatile Markets. The prices of financial instruments in which a CLO may invest can be highly volatile. Price movements of forward and other derivative contracts in which a CLO’s assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. CLOs are subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses.

General CLO Risks. An investment in a CLO is speculative and subject to numerous risks, including credit, liquidity and interest rate risks. Moreover, investors in a CLO are exposed to risks associated with the underlying portfolio assets of the CLO. Certain of the material risks associated with an investment in a CLO are summarized below. Investors should carefully review the CLO’s Operative Documents (including, its Offering Circular) prior to making a decision to investment in a CLO.

- The CLOs may acquire interests in loans and other debt obligations by way of sale, assignment or participation. The purchaser of an assignment typically becomes a lender under the credit agreement with respect to the loan or debt obligation; however, its rights can be more restricted than those of the assigning institution. In purchasing participations, a CLO will usually have a contractual relationship only with the selling institution and not the borrower. The CLO generally will not have the right directly to enforce compliance by the borrower with the terms of the loan agreement, any rights of

set-off against the borrower, or the right to object to certain changes to the loan agreement agreed to by the selling institution. The CLO may not directly benefit from the collateral supporting the related loan and may be subject to any rights of set-off the borrower has against the selling institution. In addition, in the event of the insolvency of the selling institution, under the laws of the United States and the states thereof, a CLO may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the loan. Consequently, the CLO may be subject to the credit risk of the selling institution as well as of the borrower.

- The CLOs will generally be invested in debt obligations which are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. The liquidity of a CLO's portfolio investments will be dependent on the liquidity of such market. The impact of another liquidity crisis on the global credit markets may adversely affect the management flexibility of GLM in relation to the portfolio and, ultimately, the returns on a CLO investment to investors. A CLO's investment in illiquid debt obligations may restrict its ability to dispose of investments in a timely fashion and for a fair value, as well as its ability to take advantage of market opportunities. Illiquid debt obligations may trade at a discount from comparable, more liquid investments.
- The securities issued by CLOs are typically floating rate notes that bear interest at rates based on LIBOR for specified periods. While the assets underlying CLOs are typically floating rate, a portion of the assets of CLOs may be fixed rate assets. As a result, there may be a mismatch between a CLO's issued securities and its underlying fixed rate assets. In addition, there may be a basis or timing mismatch or both between a CLO's issued securities and such CLO's underlying floating rate assets as the interest rate on such assets may adjust more frequently or less frequently, on different dates and/or based on different indices than the interest rates on the CLO's issued securities. Furthermore, applicable rates on a CLO's underlying assets may be subject to interest rate floors, caps or other modifications that would result in such rates not changing with, or changing at a different rate than, corresponding changes in LIBOR levels. As a result of such mismatches and modifications, an increase in LIBOR levels could adversely impact the cash flows and values of an investment in CLO securities.
- A CLO may have limited assets to make payment on its securities. Holders of CLO securities must rely solely on distributions on the underlying portfolio assets of the CLO or proceeds thereof for payment in respect thereof. If distributions on the CLO's underlying assets are insufficient to make payments on the CLO securities, no other assets will be available for payment of the deficiency and following realization of the CLO securities, the obligations of such issuer to pay such deficiency generally will be extinguished. CLO securities (particularly subordinated securities) may provide that, to the extent funds are not available to pay interest, such interest will be deferred or paid "in kind" and added to the outstanding principal balance of the related security. Generally, the failure by a CLO to pay interest in cash does not constitute an event of default as long

as a more senior class of securities of such CLO is outstanding, and the holders of the securities that have failed to pay interest in cash will not have available to them any associated default remedies.

- Loans, the primary assets underlying CLOs, are generally prepayable, in whole or in part, at any time at the option of the obligor thereof at par plus accrued and unpaid interest thereon. Prepayments on loans held by a CLO may be caused by a variety of factors which are difficult to predict. Accordingly, there are several related risks. There exists a risk that loans purchased by a CLO at a price greater than par may experience a capital loss as a result of such a prepayment. In such an event, the value of CLO's equity securities and potentially other securities would be adversely impacted. In addition, principal proceeds received by a CLO upon such a prepayment, as a general rule, are subject to reinvestment risk. The inability or delay of a CLO to reinvest prepayments, principal proceeds or other proceeds in assets that accrue interest at rates comparable to the assets so prepaid or generating such principal or other proceeds that also need to satisfy such CLO's reinvestment criteria may adversely affect the timing and amount of payments and distributions received by, and the yield to maturity of, the CLO's securities.
- CLOs often invest in concentrated portfolios of assets. The concentration of an underlying portfolio in any one obligor would subject the related CLO securities to a greater degree of risk with respect to defaults by such obligor and the concentration of a portfolio in any one industry would subject the related CLOs to a greater degree of risk with respect to economic downturns relating to such industry.

Bank Loans. A CLO may invest in bank loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) with respect to participations, limitations on the ability of a CLO to directly enforce its rights and counterparty credit risk considerations. In analyzing each bank loan or participation, GLM generally compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks will be borne by the CLOs.

Investments in Loan Participations. A CLO may acquire interests in loans either directly (by way of assignment from the selling institution) or indirectly (by purchasing a participation interest from the selling institution). Investments in participation interests are subject to additional risks not applicable to a holder of a direct interest in a loan. Among other things, as a holder of participation interests, the CLO generally will have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set off against the borrower, and the CLO may not directly benefit from the collateral supporting the loan in which it has purchased the participation. As a result, the CLO will assume the credit risk of both the borrower and the institution selling the participation, which will remain the legal owner of record of the applicable loan. In the event of the insolvency of the selling institution, the CLO may be treated as a general unsecured creditor of the selling institution, and may not benefit from any set off between the selling institution and the borrower. In addition, the CLO may purchase a participation from a selling institution that does not itself retain any portion of the applicable

loan and, therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower.

Investments in High Yield Securities. A CLO may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. In addition, a CLO may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities. High yield debt securities generally are unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. The lower ratings of high yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest.

Investments in Below Investment Grade Assets. It is expected that the CLOs will primarily invest in non-investment grade loans or interests in non-investment grade loans, which are generally subject to greater risks than investment grade corporate obligations. Prices of below investment grade loans such may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of the Assets. Loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the loan market has been small relative to the debt securities market. Additionally, leveraged loans have historically experienced greater default rates than has been the case for investment grade securities. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on the CLO's portfolio investments, and an increase in default levels could adversely affect the return on an investment in the CLO.

Investments in Subordinated Debt. A CLO may invest in securities which are secured by a pledge of collateral but which are subordinated to other secured obligations of the obligors with respect to liquidation preferences with respect to pledged collateral. Subordinated securities are typically subject to intercreditor arrangements, the provisions of which may prohibit or restrict the ability of its

holder to (i) exercise remedies against the collateral; (ii) challenge any exercise of remedies against the collateral by holders of the more senior securities; (iii) challenge the enforceability or priority of the senior securities on the collateral; and (iv) exercise certain other secured creditor rights, both before and during a bankruptcy of the borrower. In addition, during a bankruptcy of the borrower, the holder of a subordinated class may not be required to give advance consent to (a) any use of cash collateral approved by the senior creditors; (b) sales of collateral approved by the senior creditors and the bankruptcy court, so long as the junior liens continue to attach to the sale proceeds; and (c) debtor-in-possession financings.

Investments in Unsecured Loans. A CLO may invest in unsecured obligations of the applicable borrower, which may be subordinated to other obligations of the borrower and generally have greater credit, insolvency and liquidity risk than is typically associated with investment grade obligations and secured obligations. Unsecured obligations will generally have lower rates of recovery than secured obligations following a default. Also, in the event of the insolvency of a borrower of any unsecured obligation, the holders of such unsecured obligation will be considered general, unsecured creditors of the borrower and will have fewer rights than secured creditors of the borrower.

Global Investments. A CLO may invest in the debt or other securities and instruments of issuers located outside the United States. In addition to business uncertainties, such investments may be affected by political, social and economic uncertainty affecting a country or region. Many financial markets are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of such companies.

Foreign markets also have different clearance and settlement procedures, and in certain markets there have been times when settlements have failed to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in periods when assets of the CLO are uninvested and no return is earned thereon. The inability of the CLO to make intended portfolio purchases or sales due to settlement problems may also result in missed opportunities or losses to the CLO. Transaction costs of buying and selling foreign securities, including brokerage, tax and custody costs, also are generally higher than those involved in domestic transactions. Furthermore, foreign financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many foreign companies are less liquid and their prices more volatile than securities of comparable domestic companies.

Risk Retention Rules. In accordance to the risk retention rules that were recently promulgated under the Dodd-Frank Act and EU Capital Regulation Requirements, GLM will hold risk retention interests in the CLOs it manages. It is difficult to predict what ultimate impact the risk retention rules will have on CLO managers, CLO investors and the CLO market in general. It is possible that the rules may reduce the number of collateral managers active in the CLO market, which may result in fewer new issue CLOs and reduce the liquidity provided by CLOs to the leveraged loan market generally. A contraction or reduced liquidity in the loan market could reduce opportunities for GLM to sell loans or to invest in loans when it believes it is in the interest of the CLO to do so, which in turn could negatively impact the return on the CLO's portfolio and reduce the market value or liquidity of an investment in the CLO. Furthermore, no assurance can be given as to whether the U.S. Risk Retention Regulations will

have any material adverse effect on the business, financial condition or prospects of GLM. The risk retention rules are subject to modifications, clarifications and interpretations by government authorities that may have an adverse effect on CLO managers, including GLM.

Credit Rating Risks. Credit ratings of assets represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality or performance. A credit rating is not a recommendation to buy, sell or hold assets and may be subject to revision or withdrawal at any time by the assigning rating agency. If a rating assigned to investment in a CLO's portfolio is lowered for any reason, no party is obligated to provide any additional support or credit enhancement with respect to such investment. Rating agencies attempt to evaluate the relative future creditworthiness of an obligation and do not address other risks, including but not limited to, liquidity risk, market value or price volatility. Therefore, ratings do not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an obligor's current financial condition may be better or worse than a rating indicates. Consequently, credit ratings of any investment in a CLO's portfolio should be used only as a preliminary indicator of perceived investment quality and should not be considered a reliable indicator of actual investment quality. Rating reductions or withdrawals may occur for any number of reasons and may affect numerous assets at a single time or within a short period of time, with material adverse effects upon an investment in the CLO. It is possible that many credit ratings of assets included in or similar to the investments held by a CLO will be subject to significant or severe adjustments downward.

Long-Term Nature of Investment. An investment in a CLO requires a long-term commitment with no certainty of return. Because of the nature of the CLOs' investment programs, there can be no assurance that investors in a CLO will be able to realize returns on their investments in a timely manner or at all. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains are realized on successful investments. The return of capital and realization of gains, if any, from an investment may not occur for a substantial period of time after investing in a CLO.

Limited Liquidity and Transfer Restrictions. There is currently no secondary market for the interests in the CLOs, and none is expected to develop. Interests in the CLOs are not registered under the Securities Act or any state securities laws, and each CLO is under no plan, and is under no obligation, to register its interests under the Securities Act or any state securities laws. In addition, the interests in the CLOs are subject to certain transfer restrictions and may be transferred only under certain limited circumstances. Investors in a CLO may not be able to readily dispose of such investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time.

Risks Relating to CLO Warehouses. Investments in CLO Warehouses represent speculative leveraged investments in the collateral being warehoused and are subject to risks similar to the risks of CLO investing, although without certain of the related structural protections. Such investments are subject to structural and event risks associated with, among other things, (i) the possibility that the related CLO does not close, resulting in the liquidation of the collateral on potentially unfavorable terms, and (ii) the ability of senior participants in the facility to require sales of collateral and to block purchases of collateral.

Dependence on Key Individuals. The success of a CLO depends upon the ability of the key members of GLM's investment team to develop and implement investment strategies that achieve the CLO's investment objective. If GLM were to lose the services of any key member of its investment team, the consequence to the CLOs could be material and adverse and could lead to the premature termination of the CLOs.

Valuation. Because a CLO will generally acquire the assets at prices determined prior to its closing date, the prevailing market prices of such assets on the closing date may deviate from the predetermined purchase prices. Events occurring between each such price determination and the closing date, including changes in prevailing interest rates, prepayments of principal, developments or trends in any particular industry, changes in the financial condition of the obligors of the bank loans acquired and a number of other factors beyond the CLO's or GLM's control (including the condition of financial markets, general economic conditions and U.S. and international political events), could adversely affect the market value of such assets on the closing date. Such market valuation deviations from cost of purchase are expected to occur, and the deviations could be material (either individually or in the aggregate).

Hedging Activities. A CLO may from time to time enter into hedge agreements to, for example, hedge interest rate risks. There is no guarantee that a hedging agreement will be successful. In addition, there have been regulatory developments that may increase the cost of, or prevent the Issuer from, entering into such hedge agreements. Accordingly, there may be circumstances where it would be otherwise be in a CLO's interest to enter into a hedge agreement, but the CLO will not be able to, or choose not to, enter into a hedge agreement, which could reduce the returns on an investment in the CLO.

Systemic Risk. Credit risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which GLM interacts on a daily basis.

Competition. The markets in which the CLOs invest are competitive and some of the investment opportunities that GLM may explore may be pursued by better known investors including other CLOs and related products. There can be no assurance that GLM will be able to identify or successfully pursue such opportunities in this environment. GLM competes with many firms that have substantially greater financial resources, more extensive development, better marketing and service capabilities, more favorable financing arrangements, larger research staffs and more securities traders than are available to its clients.

Potential for Concentration of Investments and Limited Diversification. Subject to the investment programs of the CLO and GLM's risk framework, in the normal course of making investments on behalf of a CLO, GLM may select investments that potentially could be concentrated, for example, in any one issuer, industry, sector, strategy or geographic region. In addition, it is possible that GLM may select investments that are concentrated in a limited number or type of financial instruments or assets. At any given time, it is possible that a CLO's investments or portfolio risks could be concentrated in only a few industries, companies, geographic regions, asset types, strategies or other

areas of risk. Such concentration of risk may expose a CLO to greater risk of loss or reduce its ability to hedge its exposure and to dispose of depreciating assets. Limited diversity could expose a CLO to losses disproportionate to those incurred by the market in general if the areas in which such CLO's investments are concentrated are disproportionately adversely affected by price movements in those financial instruments or assets.

ITEM 9 DISCIPLINARY INFORMATION

To GLM's knowledge, there are no legal or disciplinary events that are material to GLM's clients' evaluation of its advisory business or the integrity of its management.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

GLM and its management personnel are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

In addition, GLM and its management personnel are not registered as futures commission merchants (“**FCM**”), commodity pool operators (“**CPO**”), or commodity trading advisors (“**CTA**”) with the Commodity Futures Trading Commission (“**CFTC**”) and do not have any application pending to register with the CFTC or the National Futures Association as a FCM, CPO, CTA, or an associated person of a FCM, CPO, or CTA.

GLM’s relationships and arrangements with its clients and affiliates are material to its advisory business. GLM is an affiliate of Greywolf Capital Management LP (“**GCM**”) and Greywolf Advisors LLC (“**Greywolf Advisors**” and together with GLM, GCM, and other affiliates of GLM, the “**Greywolf Group**”), both of which are registered as an investment adviser with the SEC. GCM and Greywolf Advisors manage and advise a number of CLOs, warehouse vehicles and other private pooled investment vehicles, including, but not limited to, the following: Greywolf Capital Partners II LP, Greywolf Capital Overseas Fund, Greywolf Capital Overseas Fund II, Greywolf Overseas Intermediate Fund, Greywolf Event Driven Master Fund, Greywolf Structured Products Fund I LP, Greywolf Structured Products Fund Offshore I, Ltd., Greywolf Structured Products Master Fund, Ltd., Greywolf CLO Credit Fund Offshore IA, Ltd., Greywolf CLO Credit Fund I LP, Greywolf CLO Credit Fund Offshore I, Ltd., Greywolf CLO Credit Master Fund, Ltd., Greywolf CLO Credit Fund III LP, Greywolf Opportunities Fund, Greywolf Opportunities Master Fund LP, Greywolf Opportunities Fund II LP, GW TR Master Fund I LP, GW TR Fund I, Greywolf CLO Credit Master Fund II, Ltd., Greywolf CLO Credit Fund II LP, Greywolf CLO Credit Fund II, Ltd. Greywolf CLO Credit Fund IIA, Ltd., Greywolf CLO Equity Participation LP, Greywolf Opportunities Fund LLC, Greywolf CLO II, Ltd., Greywolf CLO III, Ltd., Greywolf CLO IV, Ltd., Greywolf CLO V, Ltd., Greywolf Strategic Fund SPC, Ltd., and Greywolf Strategic Master Fund SPC, Ltd.

Certain Conflicts of Interest

GLM is subject to a number of actual and potential conflicts of interest. Certain inherent conflicts of interest arise from the fact that the Greywolf Group provides, and may in the future provide, investment management services to the CLOs, CLO Warehouses, private investment funds and other investment vehicles and accounts (collectively, “**Other Accounts**”) in which the Greywolf CLO Products currently managed by GLM will have no interest. There is no limit on the number of vehicles that may be managed or advised by the Greywolf Group. GLM, its principals, officer, and other personnel may have conflicts in allocating their time and services among the Greywolf CLO Products and any Other Account managed by GLM. GLM and its principals, officers, and other personnel will devote as much of their time to the activities of the Greywolf CLO Products as it deems necessary and appropriate.

Certain conflicts of interest may arise from the fact that certain GLM employees will also be employed by entities in the Greywolf Group and involved in the management of Other Accounts. In

addition, GCM provides due diligence, middle-office, back-office, compliance and other support services to GLM pursuant to a services support agreement.

The respective investment programs of the Greywolf CLO Products and the Other Accounts may or may not be substantially similar. The portfolio strategies employed by the Greywolf Group for Other Accounts could conflict with the transactions and strategies employed by GLM in managing the Greywolf CLO Products and affect the prices and availability of the securities and instruments in which the Greywolf CLO Products invest. GLM and other members of the Greywolf Group may invest in securities or loans that are *pari passu*, senior or junior to, or have interests different from or adverse to, the loans held by a Greywolf CLO Product. In such instances, GLM and other members of the Greywolf Group may, in their discretion and subject to certain restrictions, make investment recommendations and decisions that may be the same as or different from those made with respect to the investments of a Greywolf CLO Product. In addition, GLM and other members of the Greywolf Group may give advice or take action with respect to the investments of one or more Greywolf CLO Products or Other Accounts that may not be given or taken with respect to other Greywolf CLO Products with similar investment programs, objectives, and strategies. In such instances, the Collateral Manager, such Affiliates and the Collateral Manager Related Parties may in their discretion, subject to certain restrictions, make investment recommendations and decisions that may be the same as or different from those made with respect to the Issuer's investments. Thus, Greywolf CLO Products having similar strategies may not hold the same securities or instruments or may not achieve the same performance. Conversely, participation in specific investment opportunities may be appropriate, at times, for one or more of the Greywolf CLO Products and Other Accounts. In such case, participation in such opportunities will be allocated on an equitable basis, in accordance with the Allocation Procedures. Such considerations are likely to result in allocations of certain investments among the Greywolf CLO Products and Other Accounts on other than a *pari passu* basis.

To address these potential conflicts of interests in its material relationships, the Greywolf Group has adopted policies and procedures, including a Code of Ethics and the Allocation Procedures. Under the Code of Ethics, in general, all personnel of the Greywolf Group, including GLM's directors, officers, and employees, must put the interests of advisory clients first and must act honestly and fairly in all respects in dealings with clients. For a more detailed discussion of the Adviser's Code of Ethics and conflicts of interest policies, please see Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, below.

Furthermore, it is the Greywolf Group's policy to allocate investment opportunities fairly and equitably over time. This means that such opportunities will be allocated among those advisory clients for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (a) whether the risk-return profile of the proposed investment is consistent with the client's objectives, whether such objectives are considered (i) solely in light of the specific investment under consideration or (ii) in the context of such client's overall holdings; (b) the potential for the proposed investment to create an imbalance in the client's portfolio; (c) liquidity requirements of the account; (d) potentially adverse tax consequences; (e) regulatory restrictions that would or could limit a client's ability to participate in a proposed investment; and (f) the need to re-size risk in the client's portfolio. Such considerations may result in allocations among clients on other than a *pari passu* basis.

In certain instances, certain CLOs newly sponsored by GLM may receive a priority allocation of loans that would otherwise be allocated pro rata among all GLM-managed CLOs based on their respective order size. This priority allocation ensures that these CLOs meet the necessary portfolio requirements to reach their effective date in a timely manner.

GLM and other members of the Greywolf Group may have ongoing relationships with companies whose securities or loans are pledged to secure the CLO securities and may own debt and equity securities issued by obligors of loans in which a CLO has invested. As a result, Greywolf Group officers may possess information relating to obligors which is not known to the individuals at GLM responsible for monitoring the related loans and performing the other obligations under the relevant Management Agreement, and such officers will be under no obligation to make such information available to those responsible for monitoring the loans and performing the other obligations under the Management Agreement. Additionally, GLM and other members of the Greywolf Group may receive fees or other benefits for these services which are greater than any fees GLM is receiving for its services to a Greywolf CLO Product. This disparity in fee income may create potential conflicts of interest between the obligations to such other clients and GLM's obligations to such Greywolf CLO Product.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

GLM strives to foster and maintain a reputation for honesty, integrity and professionalism. In seeking to meet these standards, GLM has adopted a Code of Ethics (the “**Code**”). The Code incorporates the following general principles that all employees are expected to uphold: employees must at all times place the interests of GLM clients first; all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee’s position of trust and responsibility must be avoided; employees must not take any inappropriate advantage of their positions; information concerning the identity of securities and financial circumstances of GLM’s clients, including the underlying investors of its clients, must be kept confidential; and independence in the investment decision-making process must be maintained at all times.

As a companion to the Code, GLM also maintains insider trading policies and procedures (the “**Insider Trading Policies**”) that are designed to detect and prevent the misuse of material, non-public information. The Insider Trading Policies prohibit GLM and its personnel (to the extent prohibited by law) from trading for clients or themselves, or recommending trading, in securities of an issuer on the basis of material, non-public information (“**Inside Information**”) about the issuer, from disclosing such information to any person not entitled to receive it, and from assisting anyone in transacting business on the basis of Inside Information through a third party. By reason of various investment and other activities, GLM may become privy to Inside Information or be restricted from effecting transactions in certain investments that might otherwise have been initiated. GLM has designed and implemented policies and procedures designed to comply with the requirements of the federal securities laws relating to insider trading. Among other things, such policies and procedures seek to control and monitor the flow of Inside Information to and within GLM, as well as prevent trading on the basis of Inside Information. Companies about which GLM has Inside Information will be placed on GLM’s restricted list. GLM’s ability to trade public securities, the issuers of which are placed on the restricted list, is extremely limited.

GLM personnel are required to certify to their compliance with the Code and the Insider Trading Policies on a periodic basis. Clients or prospective clients may obtain a copy of the Code by contacting GLM’s Chief Compliance Officer, Chris Samios, at (914) 249-7836 or Chris.Samios@greywolfcapital.com.

Participation or Interest in Client Transactions

Conflicts of interest may occur when GLM, or its related persons, invest in the same securities, trade in the same securities at or about the same time, or have a material financial interest in the same securities that GLM recommends to its clients, including the Greywolf CLO Products. GLM has established procedures, including the Code and a personal trading policy, intended to limit conflicts of interest in cases where GLM, a related person or any employee, buys, sells or otherwise has an interest in, securities recommended by GLM to its clients.

From time to time, GLM may effect “cross” transactions between a Greywolf CLO Product and an Other Account managed by GLM or an affiliate if permitted by applicable law. In such a case, the Greywolf CLO Product will purchase securities held by the Other Account, or will sell securities to the Other Account. “Cross” transactions will only be effected (i) when GLM and, if applicable, its affiliate deem the transaction to be in the best interest of both the buyer and the seller and (ii) at a price and under circumstances that GLM and its affiliate have determined, by reference to independent market indicators, to constitute “best execution” for both the buyer and the seller. It is GLM’s policy that neither GLM nor any of its affiliates will receive any compensation in connection with “cross” transactions. In addition, “inadvertent” cross transactions may also occur when trades cross in the market. For example, when GLM or its affiliates periodically rebalance accounts, certain Greywolf CLO Products and Other Accounts may sell securities into the market at the same time that other Greywolf CLO Products and Other Accounts are purchasing the same securities in the market, resulting in an inadvertent or “deemed” market cross. In these cases, GLM and its affiliates will seek to ensure that an independent broker-dealer establishes the price for the transaction, and will not instruct the broker to directly move positions between accounts.

GLM and its affiliates, as well as Other Products managed by the Greywolf Group, may invest in Greywolf CLO Products. As noted above, GLM will hold an interest in the equity securities of each GLM-managed CLO in order to satisfy the Dodd-Frank Act and EU risk retention requirements. Certain conflicts of interest may arise from such risk retention interests. Among other things, GLM’s risk retention interests in the equity securities of a CLO may in some cases constitute a majority control position in such equity securities. This may create an incentive for GLM to take actions that may depart from the interests of other investors (i.e., holders of notes issued by such CLOs). Moreover, as GLM, its affiliates and Other Products may own interests in multiple CLOs, GLM may have an interest in favoring certain CLOs in which GLM or such other affiliated parties have a greater economic interest. It is GLM’s policy that GLM will not take into consideration GLM’s or its affiliated parties’ ownership interests in the CLOs in acting as collateral manager for each such CLO.

Personal Trading

GLM believes restricting its employees’ personal trading is one way of avoiding conflicts of interest between its clients and its employees. The Code places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to us on a periodic basis. GLM requires that employees pre-clear all personal securities transactions with its Chief Compliance Officer or, in his absence, its General Counsel before effecting a personal transaction in securities, except for a limited number of exempt and permitted transactions, including, but not limited to, exchange traded funds that appear on GLM’s Pre-Approved ETF List, shares issued by open-ended mutual funds, money market funds, U.S. Treasury bonds, and commercial paper.

ITEM 12 BROKERAGE PRACTICES

Selection of Broker-Dealers and Reasonableness of Compensation

GLM has entered, and will enter, into agreements on behalf of the CLOs with certain brokers-dealers that act as prime brokers on behalf of GLM's clients. GLM is not committed to continue any relationship with such prime brokers for any minimum period, and GLM, in its discretion, may select other or additional brokers to act as prime broker(s) for the CLOs.

In selecting an appropriate broker-dealer to effect a client trade, GLM seeks to obtain best execution, taking relevant factors into consideration, which may include, but are not limited to: price quotes; the size of the transaction; the nature of the market for the security; the timing of the transaction; difficulty of execution; the broker-dealer's expertise in the specific security or sector in which the client seeks to trade; the extent to which the broker-dealer makes a market in the security involved or has access to such markets; availability of accurate information regarding the market for the security; the broker-dealer's skill in positioning the securities involved; the broker-dealer's promptness of execution; the broker-dealer's financial stability; adequacy of the broker-dealer's trading infrastructure, technology and capital; the broker-dealer's reputation for diligence, fairness and integrity; quality of service rendered by the broker-dealer in other transactions for the Adviser; confidentiality considerations; the quality and usefulness of research services and investment ideas presented by the broker-dealer; the broker-dealer's ability and willingness to correct errors; the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction; and other factors affecting the services obtained. In addition, GLM need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. GLM maintains policies and procedures to review the quality of executions, including the establishment and quarterly meeting of a Best Execution Committee to assess commissions paid and broker performance using both quantitative and qualitative measures.

GCM does not have, and does not anticipate having, any third-party soft dollar arrangements. If, however, GLM determines in the future to make use of any "soft dollar" arrangements, GLM will do so only to the extent that the brokerage and research services received are within the safe harbor provided by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended, and subject to prevailing interpretations of Section 28(e) provided by the SEC.

In selecting or recommending broker-dealers, GLM may consider whether it, or any of its affiliates, receive client or investor referrals from a broker-dealer or other third party. This may create a conflict of interests, as GLM may have an incentive to select or recommend a broker-dealer based on its interest in receiving client referrals, rather than its clients' interest in receiving the most favorable execution.

GLM generally does not permit any directed brokerage arrangements at this time. If GLM changes its policy on directed brokerage, GLM will adopt appropriate policies and procedures.

Trade Aggregation

When buying or selling assets for its clients, GLM may aggregate multiple transactions into one

order and allocate the order on an average price basis to the participating client. More specifically, each client that participates in an aggregated order will participate at the average share price for all of GLM's transactions in that security or other instrument on a given business day and transaction costs will be shared pro rata based on each client's participation in the transaction. Although certain accounts may be excluded from a given aggregated order, no account is favored over any other account on an overall, long-term basis. Brokerage commission rates will not be reduced because of such aggregation. In some instances, average pricing may result in higher or lower execution prices than otherwise obtainable by a single client. GLM believes that its aggregation policy is lawful and consistent with its duty to seek best execution for all its clients.

Trade Errors

GLM may on occasion experience errors with respect to trades executed on behalf of its clients. Trade errors can result from a variety of situations, including, for example, when the wrong security is purchased or sold; a security is sold when it should have been purchased or vice-versa; a security is sold or purchased contrary to regulatory restrictions or a CLO's investment guidelines or restrictions; the correct security is purchased or sold, but for the wrong account; or the wrong quantity is purchased or sold. Trade errors may result in losses or gains. GLM will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. Any gains resulting from a trade error shall be for the benefit of the affected CLO(s).

To the extent trade errors resulted from GLM's error in the course of the trading of a CLO's assets, generally, GLM will be responsible for making the affected CLO whole with respect to such errors that result from GLM's bad faith, willful misconduct, gross negligence or reckless disregard of its duties under the applicable Management Agreement. Given the volume of transactions executed on behalf of the Greywolf CLO Products, investors should assume that trading errors will occur and that the CLO will be responsible for any resulting losses, even if such losses result from GLM's negligence (but not gross negligence), except as previously noted. To the extent a trade error is caused by a counterparty, such as a broker-dealer, GLM will not be responsible for such errors and will strive to recover losses associated with such error from the counterparty.

ITEM 13 REVIEW OF ACCOUNTS

Under the supervision of GLM's portfolio managers and Chief Investment Officer, GLM's research analysts and other investment professionals periodically monitor the holdings of each CLO account. The accounts of each CLO are also regularly reviewed in light of the CLO's specific investment objectives and guidelines by GLM's portfolio managers, Chief Compliance Officer, General Counsel and Chief Investment Officer. In addition, GLM will conduct additional reviews of a client's account whenever necessary or appropriate.

In general, monthly and quarterly reports, in each case as described in further detail in a CLO's Offering Circular, will be provided to the CLO's trustee by the CLO's collateral administrator. These monthly and quarterly reports will be available from the trustee upon request by an investor in the CLO.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

GLM does not receive any economic benefit from anyone, other than its clients, for providing investment advice or advisory services to its clients. In addition, GLM does not compensate any person for client referrals.

ITEM 15 CUSTODY

GLM does not maintain custody of CLO assets, which are instead held by the trustee or collateral administrator of each such CLO.

ITEM 16 INVESTMENT DISCRETION

In general, GLM has full discretionary authority to manage CLO assets, including authority to make decisions with respect to which assets are bought and sold, the amount and price of those assets, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. GLM exercises this discretion subject to its internal policies and the investment policies, limitations, and restrictions, if any, imposed by a CLO in the such CLO's Operative Documents. Such Operative Documents may set forth the limitations on GLM's investment authority, including, without limitation, designating types of permitted investments, percentage of permitted investments, or prohibiting certain types of investments with respect to the CLO.

For further discussion of GLM's advisory business and the services it provides to its clients, please see Item 4, "Advisory Business," above.

ITEM 17 VOTING CLIENT SECURITIES

Pursuant to the CLO's Operative Documents, including the Management Agreement, GLM has accepted, and in the future will continue to accept, the authority to vote on modifications to loan terms and covenants. As such, GLM has adopted policies and corresponding procedures to comply with Rule 206(4)-6 promulgated under the Investment Advisers Act and with GLM's fiduciary obligations (the "**Proxy Policies**"). GLM's general policy is to vote proxies in a manner that serves the best interests of the CLOs, as determined by GLM in its discretion, taking into account the following factors: (i) the impact on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices. In limited circumstances, GLM may refrain from voting proxies where it believes that voting would be inappropriate, which includes a consideration of the cost of voting the proxy and the anticipated benefit to the CLOs.

Generally, if a CLO has authorized GLM to vote proxies on its behalf, GLM will generally not accept instructions from the CLO regarding how to vote on a particular proxy or solicitation. Finally, GLM has developed detailed procedures to address potential circumstances in which GLM may have a conflict between its interests and those of the CLOs. A copy of GLM's Proxy Policies and information regarding any proxies actually voted by GLM may be obtained by contacting GLM's Chief Compliance Officer, Chris Samios, at (914) 249-7836 or Chris.Samios@greywolfcapital.com.

ITEM 18 FINANCIAL INFORMATION

GLM is not required to attach a balance sheet, as it does not require or solicit the payment of fees six months or more in advance.

GLM is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to its clients, and it has never been the subject of a bankruptcy petition.