



ITEM 1 COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

CARLYLE AVIATION PDP MANAGEMENT LLC

March 30, 2020

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This brochure (this "Brochure") provides information about the qualifications and business practices of Carlyle Aviation PDP Management LLC (the "Investment Adviser," "we," "us," and similar terms). If you have any questions about the contents of this Brochure, please contact us at 305-579-2340 or compliance@carlyle.aero. 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 or with any state securities authority does not imply a certain level of skill or training.

Additional information about the Investment Adviser also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2
MATERIAL CHANGES

This is the Investment Adviser's initial filing of Form ADV; as such, there are no material changes to report.

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ITEM 4 ADVISORY BUSINESS

A. General Description of Advisory Firm.

1. *Carlyle Aviation PDP Management LLC.*

The Investment Adviser is a Delaware limited liability company that was formed in 2019.

We have one office, which is located in Miami, Florida.

We are a wholly-owned subsidiary of Carlyle Aviation Partners Ltd. (“CAP”), a Bermuda holding company, which also owns Carlyle Aviation Fund Management, LLC, Carlyle Aviation Fund Management II, LLC and Carlyle Aviation Management Limited (“CAML”), which are specialty managers of aviation assets. CAML also serves as an offshore manager to a private investment fund and the Investment Adviser is a sub-advisor to CAML with respect to the aforementioned private investment fund. Carlyle Aviation Securities Partners LLC (“CASP”) is an investment adviser registered with the SEC.

Various entities affiliated with The Carlyle Group Inc. (the “Public Company” or “Carlyle”) (Nasdaq: CG), an affiliate of the Investment Adviser, directly and indirectly own and control the Investment Adviser. On January 1, 2020, The Carlyle Group L.P. completed its conversion (together with related restructuring steps and transactions, the “Conversion”) from a Delaware limited partnership to a Delaware corporation named The Carlyle Group Inc. Pursuant to the Conversion, at the specified effective time on January 1, 2020, each common unit of The Carlyle Group L.P. outstanding immediately prior to the effective time converted into one share of common stock, par value \$0.01 per share (“Common Stock”) of the Public Company and each special voting unit and general partner unit was cancelled for no consideration. In addition, holders of the partnership units in Carlyle Holdings I L.P., Carlyle Holdings II L.P., and Carlyle Holdings III L.P. (collectively, “Carlyle Holdings”) exchanged such units for an equivalent number of shares of Common Stock and certain other restructuring steps occurred. In connection with the Conversion, senior Carlyle professionals and certain of the other former limited partners of Carlyle Holdings who became holders of shares of Common Stock in connection with the Conversion were generally required to grant an irrevocable proxy to Carlyle Group Management L.L.C., which is wholly owned by Carlyle’s founders and other senior Carlyle professionals. This proxy entitles Carlyle Group Management L.L.C. to vote such shares of Common Stock until the earlier of (i) such time as Carlyle Group Management L.L.C. ceases to have voting power over shares of Common Stock representing at least 20% of the total voting power of all the then outstanding shares of capital stock of the Public Company entitled to vote in the election of directors and (ii) January 1, 2025. Consequently, Carlyle Group Management L.L.C. currently controls a majority of the voting power of the Public Company’s outstanding common stock and may be deemed to indirectly control the Public Company’s business for regulatory purposes. The Investment Adviser does not hold any economic interest in the Public Company. From and after the consummation of the Conversion, the Public Company holds directly and indirectly all of the outstanding equity interests in Carlyle Holdings, whose subsidiaries operate and control all of the business and affairs of the Public Company and its affiliates.

The Public Company is managed by a Board of Directors who are elected by the holders of its Common Stock. (Carlyle Group Management L.L.C., which is wholly owned by Carlyle's founders and other senior Carlyle professionals, currently controls a majority of the voting power of the Public Company's outstanding common stock pursuant to the irrevocable proxies described above). The Public Company has formed a group of senior management professionals that establishes the management structures and policies and procedures for the operation and development of the firm (the "Executive Group"), guided by the strategic direction set by the Board of Directors. Together with Messrs. Conway, D'Aniello and Rubenstein, Glenn A. Youngkin and Kewsong Lee, Carlyle's Co-Chief Executive Officers, Peter J. Clare, Chief Investment Officer for Corporate Private Equity, Jeffrey W. Ferguson, Carlyle's General Counsel, and Curtis L. Buser, Carlyle's Chief Financial Officer, comprise the Executive Group. The Public Company also has formed a committee responsible for reviewing and considering significant operational or financial matters (the "Management Committee"). Comprising certain members of the Executive Group and other members of senior management, the Management Committee serves as a resource to the Executive Group.

Additional information about the Public Company is available in its current public filings with the SEC. Unless specifically stated otherwise, references in this Brochure to the Investment Adviser do not include the Public Company or any of the Public Company's other affiliated entities.

B. Description of Advisory Services.

This Brochure generally includes information about us and our relationships with our clients. While much of this Brochure applies to all such clients, certain information included herein applies to specific clients only.

1. *Advisory Services, Investment Strategies and Types of Investments*

The Investment Adviser has a sub-advisory arrangement with CAML. CAML, an offshore specialty manager of aviation assets, will manage a private investment fund which focuses on a new strategy (the "PDP Fund"). The PDP Fund will seek to achieve its investment objective primarily through originating and investing in loans made, directly or indirectly, to airlines in order to allow such airlines to satisfy certain aircraft pre-delivery payment obligations.

In providing services to an advisory client, we manage the client assets in accordance with the terms of the governing documents applicable to such client.

* * *

The descriptions set forth in this Brochure of specific advisory services that we offer to our clients, and investment strategies pursued and investments made by us on behalf of our clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each client's investment objectives and

guidelines. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

C. Availability of Customized Services for Individual Clients.

Our investment decisions and advice with respect to each client are subject to each client's investment objectives and guidelines, as set forth in its respective offering documents or in the case of a separate account, the investment management agreement.

CAML, in its role as investment manager to clients, may from time to time agree to supplements, clarifications, or variations of the terms of a client's offering, subscription, or organizational documents in "side letters" or similar agreements which may vary rights or privileges among investors in some pooled investment vehicles.

D. Assets Under Management.

The Investment Adviser does not have advisory clients to which it provides discretionary investment advice with respect to securities. The Investment Adviser provides non-discretionary investment advice to CAML. Our assets under management as of March 30, 2020 managed on a non-discretionary basis are \$500,000,000¹.

¹ Discretionary assets under management are equal to the capital commitments accepted by the PDP Fund.

ITEM 5

FEES AND COMPENSATION

A. Advisory Fees and Compensation.

The fees applicable to the PDP Fund are set forth in detail in the PDP Fund's offering documents. The PDP Fund is charged an annual management fee that is calculated as a percentage of PDP loan balances ("Management Fee") pursuant to the organizational and offering documents of the PDP Fund. The Management Fee is payable to CAML as the investment manager of the PDP Fund.

Carlyle Aviation Runway PDP GP LLC ("PDP GP"), the general partner of the PDP Fund, is entitled to receive 50% of the loan origination fees that are received from borrowers of PDP loans ("Loan Origination Fees").

The Investment Adviser may receive an agreed upon fee for acting as an investment adviser to CAML solely in connection with CAML's management of the PDP Fund (the "Sub-Advisory Fee"). CAML may modify the amount, timing and/or payment of the Sub-Advisory Fee. The Investment Adviser will not charge fees directly to the PDP Fund. The Investment Adviser does not receive fees directly or indirectly from other products managed by CAML or other CAP subsidiary specialty managers of aviation assets.

B. Payment of Fees.

For the PDP Fund, fees and compensation paid to CAML or PDP GP are generally deducted from the assets of such clients. Management Fees are generally deducted in advance on a quarterly basis and Loan Origination Fees are generally paid to PDP GP as received.

C. Additional Fees and Expenses.

The PDP Fund bears all fees, costs, expenses, liabilities and obligations relating to the PDP Fund's and any of its direct or indirect subsidiaries' or acquisition vehicles' activities, investments and business (to the extent not borne or reimbursed by any entity interests in which constitute a PDP loan investment or a potential PDP Loan investment or seller of PDP loans), including (i) all third-party fees, costs, expenses, liabilities and obligations attributable to structuring, organizing, acquiring, refinancing, managing, monitoring, valuing (including third party valuations), operating, holding, winding up, liquidating, dissolving and disposing of the PDP loan investments, lease management software expenses, commitment, title and brokerage, finders', third-party lease administration, consignment (third party and otherwise), consulting (including technical contractors and consultants), third-party diligence software and service providers fees, (ii) reasonable third party legal, accounting, administration, reporting, auditing, insurance (including directors and officers and errors and omissions liability and other insurance), travel, accommodation, litigation and indemnification costs and expenses, judgments and settlements, investment banking, appraisal, valuation, filing, transfer, custodian, third-party fund administration and other fees and expenses (including expenses associated with the preparation or distribution of the PDP Fund's financial statements, tax returns, tax estimates and Schedule K-1s (or equivalents) or any other administrative, regulatory or other PDP Fund or investment related

reporting or filing; provided that such expenses shall not include any expenses incurred in connection with registration of PDP GP, CAML, Carlyle Global Credit Investment Management L.L.C. or any of their affiliates or any other investment advisor under the Investment Advisers Act or compliance with the Investment Advisers Act, including the preparation and filing of Form PF, (iii) third party fees and expenses associated with asset-backed securitizations (or similar structures), loan facilities and public offerings, (iv) third party expenses associated with broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services, (v) expenses associated with brokerage, sale, custodial, depository, trustee, record keeping, registered office, registered agent, account and similar services, (vi) all fees, costs, expenses, liabilities and obligations incurred by the PDP Fund, PDP GP or any other CAP person relating to investment and disposition opportunities for the PDP Fund not consummated (including reasonable legal, accounting, auditing, insurance, travel, accommodation, consulting, brokerage, finders', financing, appraisal, third party valuation, filing, printing, title, transfer, registration, reverse breakup, termination and other fees and expenses), (vii) all out-of-pocket fees, costs and expenses incurred by the PDP Fund, the PDP GP or any other CAP person in connection with any conference or meeting of the PDP Fund's limited partners (including any expenses attributable to representatives of PDP GP and other persons in attending such meetings), (viii) the Management Fee, (ix) any taxes, fees and other governmental charges levied against the PDP Fund (except to the extent that the PDP Fund is reimbursed therefor by a reimbursing partner or such tax, fee or charge is treated as having been distributed according to the limited partnership agreement ("LPA") of the PDP Fund), (x) third party expenses associated with developing, structuring, operating and winding up administrative structures in the Cayman Islands, Luxembourg, other European countries and elsewhere, as applicable, that are put in place to operate the PDP Fund's investment activities (including any travel, accommodation and other expenses related to such structures), (xi) costs and expenses that are classified as extraordinary expenses under GAAP, (xii) all third party fees, costs, expenses, liabilities and obligations incurred in connection with the organization, management, operation and dissolution, liquidation and final winding-up of any alternative investment vehicles, (xiii) third party expenses associated with amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the PDP Fund and related entities and any alternative investment vehicles, including the preparation, distribution and implementation thereof, (xiv) expenses associated with complying with any applicable law or regulation related to the activities of the PDP Fund (including regulatory expenses of PDP GP incurred in connection with the operation of the Partnership and legal fees and expenses), (xv) reasonable expenses associated with developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the PDP Fund or the limited partners, as well as any deal-related software, (xvi) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information, (xvii) any costs or expenses related to the revolving notes (as discussed in the LPA), including obtaining and/or maintaining an investment rating and/or a CUSIP number for the revolving notes and/or the PDP Fund, (xviii) all expenses (including travel, accommodation, printing, legal, accounting, regulatory, compliance, and any administrative or other filings) incurred in connection with the organization, funding and start-up of the PDP Fund, PDP GP and CAML and (xix) all out-of-pocket legal fees of the limited partners incurred in connection with consummating their respective investments in the PDP Fund, but not including (A) ordinary overhead and administrative expenses that are payable by PDP GP and/or

CAML pursuant to the LPA, (B) any such amounts under clause (vi) above in excess of \$200,000 for any calendar year, which shall be borne directly by PDP GP or CAML or (C) any such amounts under clause (xviii) above in excess of \$350,000, which shall be borne directly by PDP GP or CAML.

D. Additional Compensation and Conflicts of Interest.

Neither the Investment Adviser nor any of its supervised persons accepts compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products.

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

The Investment Adviser provides sub-advisory services to CAML exclusively. The sole form of compensation earned by the Investment Adviser are Sub-Advisory Fees paid by CAML in exchange for services provided to the PDP Fund.

ITEM 7

TYPES OF CLIENTS

We provide investment advice to the PDP Fund pursuant to a sub-advisory relationship with CAML. CAML requires investors in the PDP Fund to be “accredited investors” as defined in Regulation D, “qualified purchasers” as defined in the Investment Company Act of 1940, as amended, or “non-U.S. persons” as defined in Regulation D. The governing documents for the PDP Fund outlines the minimum size of investments, which can be reduced or waived on a discretionary basis in the sole discretion of CAML. The Investment Adviser does not have advisory clients to which it provides discretionary investment advice with respect to securities.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies.

Our investment strategies are described, at a summary level, in Item 4. As discussed therein, the PDP financing strategy that CAML will employ for the PDP Fund seeks to capitalize on opportunities to provide PDP financing solutions for manufacturers, airlines and lessors to facilitate delivery of new aircraft. The PDP Fund will seek to achieve its investment objective primarily through originating and investing in loans made, directly or indirectly, to airlines in order to allow such airlines to satisfy certain aircraft pre-delivery payment obligations. The Investment Adviser will generally utilize the same methods and strategy in respect of the services it will provide to CAML. The risks identified under “PDP Financing” further below generally are specific to the PDP Fund.

The main risks to be considered in the management of a client’s portfolio will include: (i) market risk, including political and regulatory risk and credit market availability risk; (ii) individual positions risk, such as credit risk of borrowers, liquidity risk, counterparty risk, correlation and sensitivity risk; (iii) portfolio risk, such as correlation and sensitivity risk, company and asset concentration risk and liquidity risk; (iv) industry specific risk, such as macro and micro level risks; and (v) global economic risk, such as macro and micro level risks. The risks identified herein are examples of some, but not all, possible risks.

CAML seeks to control portfolio risks through the regular evaluation of each investment’s risk and by managing the amount of risk associated with each investment. CAML will gather real-time data regarding market movements, borrower financial health and any other market intelligence.

B. Material, Significant or Unusual Risks Relating to Investment Strategies.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us. **Investors should review the offering documents and other governing documents of an applicable fund or product to understand the risks and actual and potential conflicts of interest associated with such fund or product.**

Risk of Loss. No guarantee or representation is made that a client’s investment program, including, without limitation, a client’s investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results are not necessarily indicative of their future performance.

General Economic and Market Conditions. Success 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 (including laws relating to taxation of a client’s investments), trade barriers, currency exchange controls, and national and international

political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of a client's investments. Volatility or illiquidity could impair a client's profitability or result in losses. A client may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

United Kingdom's Exit from the European Union. On January 31, 2020, the UK formally left the EU ("Brexit"). This triggered a transition period that is set to end on December 31, 2020, during which the UK and EU will negotiate their future relationship. During the transition period, the UK will continue to follow the EU's rules and its trading relationships will remain the same. If the UK and EU are unable to negotiate a free trade agreement during the 11-month transition period, the UK faces the prospect of having to trade with no deal in place, which could result in potential trade barriers, such as tariffs on UK exports to the EU. In addition to trade negotiations, the UK and EU will need to negotiate on matters related to border-crossing policies, security and law enforcement. The political discourse in the UK and EU with respect to Brexit may result in conditions that cause airlines, and by extension client investments, to suffer losses.

Pay-to-Play Laws, Regulations and Policies. In light of controversies and highly-publicized incidents involving money managers, a number of states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation with respect to a government plan investor for two years after the adviser or certain of its executives or employees make a contribution to certain elected officials or candidates. The Investment Adviser is subject to policies and procedures to account for these pay-to-play laws, regulations or policies, and to comply with the New York Attorney General's Public Pension Fund Reform Code of Conduct (the "Pension Fund Reform Code"), which governs its interactions with U.S. public pension funds. If the Investment Adviser or its employees or affiliates fail to comply with the Pension Fund Reform Code or such pay-to-play laws, regulations or policies, such non-compliance could have an adverse effect on a client by, for example, providing the basis for the withdrawal of the affected government plan investor.

Diversification and Concentration. The Investment Adviser may select investments that are concentrated in a limited number or types of Securities. In addition, a client's portfolio may become significantly concentrated in securities related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose clients to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such securities.

Fundamental Analysis. Certain trading decisions made by the Investment Adviser may be based on fundamental analysis. Data on which fundamental analysis relies may be inaccurate or may be generally available to other market participants. To the extent that any such data are inaccurate or that other market participants have developed, based on such data, trading strategies similar to a client's trading strategies, clients may not be able to realize their investment goals. In

addition, fundamental market information is subject to interpretation. To the extent that the Investment Adviser misinterprets the meaning of certain data, clients may incur losses.

Small and Medium-Capitalization Companies. Investments in securities of smaller-capitalization companies involve higher risks in some respects than do investments in securities of larger “blue-chip” companies. For example, prices of securities of small-capitalization and even medium-capitalization companies are often more volatile than prices of securities of large-capitalization companies and may not be based on standard pricing models that are applicable to securities of large-capitalization companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, “blue-chip” companies. Finally, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

Non-U.S. Investments. Investing in the securities of companies outside of the United States involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict a client’s investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, clients may be unable to structure their transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce a client’s rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to clients under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties.

Cyber Security Breaches, Identity Theft, Privacy Breaches and Other Threats. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. There has been an increase in the frequency and sophistication of the cyber and security threats that the Investment Adviser faces, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which may target the Investment Adviser because it processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the clients and personally identifiable information regarding investors and employees. Similarly, service providers of the Investment Adviser or a client, especially an administrator, may process, store and transmit such information. As a result, the Investment Adviser may face a heightened risk of a security breach, online extortion attempt, or disruption

with respect to this information resulting from an attack by computer hackers, foreign governments, cyber extortionists or cyber terrorists. If successful, these types of attacks on the Investment Adviser's network or other systems could have a material adverse effect on our business and results of operations, due to, among other things, the loss of investor or proprietary data, interruptions or delays in our business and damage to the Investment Adviser's reputation. Suppliers, contractors, investors, and other third parties with whom the Investment Adviser does business also experience cyber threats and attacks that are similar in frequency and sophistication. In many cases, the Investment Adviser has to rely on the controls and safeguards put in place by their suppliers, contractors, investors and other third parties to defend against, respond to, and report these attacks.

The Investment Adviser's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, security threats (including ongoing cybersecurity threats to and attacks on our information technology infrastructure), infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, typhoons, earthquakes, wars, terrorist attacks and other similar events. Measures designed to manage risks relating to these types of events cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods of time. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, significant investment may be required to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Investment Adviser's and/or its client's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors, employees, and portfolio companies. A cybersecurity incident or data privacy breach could have numerous material adverse effects, including on the operations, liquidity and financial condition of a client. Cyber threats and/or incidents or data privacy breaches could cause financial costs from the theft of client assets (including proprietary information and intellectual property) as well as numerous unforeseen costs including, but not limited to: costs related to regulatory intervention or fines (including under the European General Data Protection Regulation or similar data protection regulations), litigation costs, preventative and protective costs, remediation costs and costs associated with reputational damage, any one of which could be materially adverse to a client. The costs related to cyber or other security threats or disruptions or data privacy breaches may not be fully insured or indemnified by other means.

Public Health Risks, Epidemics and Pandemics. Countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and most recently, the COVID-19 coronavirus pandemic. The COVID-19 pandemic has resulted in, among other events, unprecedented global travel restrictions and regional and country-wide quarantines, slowing and/or the complete idling of certain significant U.S. and global businesses and sectors and general economic and market turmoil and uncertainty. Further, key U.S. public health officials expect the COVID-19 pandemic will worsen in the near term. The impacts on markets, business activity and the U.S. and global economy, as well as potential changes in U.S. economic and fiscal policies that may be adopted to address the pandemic and related externalities, are not yet fully identified or understood. In this regard, views and other forward looking statements expressed in

this Brochure are based upon assumptions that may no longer be valid. Accordingly, the COVID-19 pandemic and other outbreaks of infectious diseases in the future could have a negative impact on the performance of investments and more generally the Investment Adviser's ability to implement its investment strategies.

Deteriorating Current Market Conditions. The ongoing COVID-19 coronavirus pandemic and oil price shocks resulting from disputes among members of the Organization of Petroleum Exporting Countries ("OPEC"), together with, among other events, the ensuing global market turmoil, unprecedented global travel restrictions and regional and nationwide quarantines that have been implemented by several governments and the slowing and/or complete idling of certain significant U.S. and global businesses and sectors, have led to a market correction in the U.S. and elsewhere, and have led most market participants and commentators to expect an economic downturn in North America, Europe and/or globally. Political and economic leaders in the U.S. and abroad have begun implementing measures to attempt to address the increasing uncertainty in global markets and the global economy. Such measures have included and may include in the future additional travel bans impacting the movement of people and goods between the U.S. and other major economic centers and material monetary and/or fiscal policy changes. In addition, key public health officials in the U.S. have indicated that they believe the COVID-19 pandemic will worsen in the near term, which would be expected to lead to increased social and economic uncertainty. Moreover, no actual or potential resolution of the OPEC disputes regarding production and output levels has been publicly disclosed.

To the extent that current conditions continue (or worsen as some expect), the Investment Adviser expects that there will be adverse impacts on the availability of credit to businesses as well as on asset prices, and more generally the public and private markets, which in each case, could impact the Investment Adviser's ability to implement its investment objective, consummate transactions and/or adequately assess and react to actual and potential downside risks of investments. In addition, the full impacts of the pandemic and energy price shocks on markets, business activity and the U.S. and global economy, as well as potential changes in U.S. economic and fiscal policies that may be adopted to address the pandemic, price shocks and related externalities, are not yet fully identified or understood.

GDPR Compliance Risk. Data protection and regulations related to privacy, data protection and information security could increase costs, and a failure to comply could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations of an investment.

Certain investments may be subject to regulations related to privacy, data protection and information security in the jurisdictions in which they do business. As privacy, data protection and information security laws are implemented, interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

EU data protection law was previously derived from the Data Protection Directive (Directive 95/46/EC) and was implemented by national legislation across all 28 EU member states. On May 25, 2018, the General Data Protection Regulation (EU 2016/679) (the "GDPR") replaced the existing legislation. The GDPR seeks to harmonize national data protection laws across the

EU, whilst at the same time, modernising the law to address new technological developments. As a regulation, the GDPR is binding on data controllers and data processors in all EU member states, immediately upon coming into effect, without the need for implementation in each member state. The GDPR notably has a greater extra-territorial reach and will have a significant impact on data controllers and data processors either with an establishment in the EU, or which offer goods or services to EU data subjects or monitor EU data subjects' behaviour within the EU. The new regime imposes more stringent operational requirements on both data controllers and data processors and introduces significant penalties for non-compliance with fines of up to 4% of total annual worldwide turnover or €20 million (whichever is higher), depending on the type and severity of the breach.

The current ePrivacy Directive (2002/58/EC) will also be repealed by the EU Commission's Regulation on Privacy and Electronic Communications (the "ePrivacy Regulation") which aims to reinforce trust and security in the digital single market by updating the legal framework on ePrivacy. The ePrivacy Regulation is in the process of being finalised and is expected to come into force in 2020 at the earliest, although there would be a further transitional period before it becomes effective (the details of which are uncertain).

Compliance with current and future privacy, data protection and information security laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and some of our current and planned business activities. A failure to comply with such laws could result in fines, sanctions or other penalties, which could materially and adversely affect results of operations and overall business, as well as have an impact on reputation.

Data Protection. The Cayman Islands Data Protection Law, 2017 ("DPL") is due to come into force in September 2019. The DPL is compatible with data protection rules in the EU and shares many of the same definitions and provisions with the GDPR. It is intended to regulate the collection, storage and processing of personal data in the Cayman Islands and to give individuals greater control over that data. The DPL applies to the Fund and any personal data provided to the Fund will be within the scope of the DPL regardless of where the investor providing that data is located. Breaches of the DPL could result in fines of up to CI\$100,000 per breach, imprisonment for a term of up to 5 years, or both. Other monetary penalties of up to CI\$250,000 are also possible under the law.

California has also passed the California Consumer Privacy Act of 2018 (the "CCPA"). The CCPA generally applies to businesses that collect personal information about California consumers, and either meet certain thresholds with respect to revenue or buying and/or selling consumers' personal information. The CCPA imposes stringent legal and operational obligations on such businesses as well as certain affiliated entities that share common branding. The CCPA is enforceable by the California Attorney General. Additionally, if unauthorized access, theft or disclosure of a consumer's personal information occurs, and the business did not maintain reasonable security practices, consumers could file a civil action (including a class action) without having to prove actual damages. Statutory damages range from \$100 to \$750 per consumer per incident, or actual damages, whichever is greater. The Attorney General also may impose civil penalties ranging from \$2,500 to \$7,500 per violation.

Other jurisdictions, including other U.S. states, have proposed or are considering similar privacy laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such privacy laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs and operational and legal burdens on regulated entities. Further, compliance with current and future privacy laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and some of our current and planned business activities. Any such privacy law could materially and adversely affect the results of operations and overall business of the Fund and/or its portfolio companies, as well as have a negative impact on their respective performance.

Uncertain Economic and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial estimates. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Fund to execute its strategy. This may slow the rate of future investments by the Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's investments.

Aviation Industry Risk. The aviation industry is susceptible to downturns as a result of various events, including fluctuation of fuel prices, geopolitical conflicts and/or terrorist attacks, general economic conditions, regulatory changes, epidemic diseases and severe weather conditions. The occurrence of any such event may have an adverse effect of the performance of the strategies pursued by the Investment Adviser.

Risk of Limited Number of Investments. A client may participate in a limited number of investments and, as a consequence, the aggregate return of such client may be substantially adversely affected by the unfavorable performance of even a single investment. In addition, other than as set forth in the applicable client's governing documents (or investment management agreement in the case of a separately managed account or as required by applicable law), investors have no assurance as to the degree of diversification of an client's investments, either by geographic region or transaction type.

Affiliation with The Carlyle Group. There are risks related to Carlyle's ownership interest in the Investment Adviser. These relate to the risk of third-party litigation, the potential for increased regulatory scrutiny, and Carlyle's ability to influence the Investment Adviser.

Carlyle Policies and Procedures. Policies and procedures implemented by Carlyle or its affiliates from time to time (including as may be implemented in the future) to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may

reduce the synergies across the Investment Adviser's areas of operation or expertise that a client expects to draw on for purposes of pursuing attractive investment opportunities.

Material Non-Public Information. By reason of their responsibilities in connection with their other activities, from time to time, certain personnel of the Investment Adviser may acquire confidential or material non-public information or be otherwise restricted from initiating transactions in certain securities. The PDP Fund may not be free to act upon any such information. Due to these restrictions, the PDP Fund or client sub-advised by the Investment Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Misconduct of Personnel or Third-Party Service Providers. There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and there is a risk that employee misconduct could occur with respect to the Investment Adviser. Misconduct by employees or by third-party service providers could cause significant losses to clients. Employee misconduct could include, among other things, binding a client to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses), or otherwise charging (or seeking to charge) inappropriate expenses to a client. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the client's business prospects or future activities. It is not always possible to deter misconduct by employees or service providers, and the precautions the Investment Adviser takes to detect and prevent this activity may not be effective in all cases.

Trade Policies. Changes in trade policies among the United States and other countries, in particular, the imposition of new or higher tariffs, could have a material adverse effect on the Fund's revenues and operating results. For example, original equipment manufacturers ("OEMs") (including Boeing and Airbus) may seek to offset the impact of increased tariffs by increasing the price of aircraft, engines and/or components.

Political leaders in the U.S. and certain European nations have recently been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto. In addition, the U.S. government imposed tariffs on certain foreign goods, including steel and aluminum, and has indicated a willingness to impose additional tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of a client and its investments. In particular, although the U.S. and China have agreed to a partial trade deal with respect to their ongoing trade dispute, certain issues remain unresolved, which is expected to be an ongoing source of instability, potentially resulting in significant currency fluctuations and/or have other adverse effects on international markets,

international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). While this dispute has already had negative economic consequences on the U.S. markets, to the extent that this trade dispute escalates into a “trade war” between the U.S. and China, there could be additional significant impacts on the industries in which the Fund participates and other adverse impacts on client investments.

Tariffs on OEM’s products may adversely affect the Fund’s profitability. Many aircraft and engine OEMs operate in foreign countries. Accordingly, OEMs may be subject to many of the risks of international operations, including governmental controls and tariff restrictions. Tariffs could make the OEM’s products less attractive. OEMs may begin implementing short-term price adjustments to offset such tariffs and transition their production and supply chains to new locations, which could indirectly disrupt the Fund’s business. Increases in tariffs or the failure to resolve current international trade disputes could have a material adverse effect on the Fund’s business and operating results.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry and, more generally, there is an increased focus on tax avoidance strategies employed by businesses. There can be no assurance that any such scrutiny, regulation or focus will not have an adverse impact on the Fund’s activities, including the ability of the Fund to effectively and timely address new rules and regulations, execute its investment strategy or achieve its investment objectives. In particular, the Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of the Fund’s business, including to establish greater substance in certain jurisdictions in which the Fund invests or proposes to invest, and the Fund may also become directly or indirectly subject to additional tax liabilities (for example through restrictions on or denial of the deductibility of interest expenses against taxable profits). The foregoing may make it less attractive or impractical to continue to invest in one or more jurisdictions. Furthermore, it is unclear what further legal or regulatory changes may be implemented within those jurisdictions in which the Fund operates, which changes may result in increased costs and expenses being incurred by the Fund in order to ensure compliance with any new regimes.

Such scrutiny of private equity firms, other alternative asset managers and their investments by politicians, regulators and market commentators, combined with public perception that certain alternative asset managers, including private equity firms, contributed to the global financial crisis of 2008, may complicate or prevent the Fund’s efforts to consummate investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Fund may invest in fewer transactions or incur greater expenses or delays in completing investments than it otherwise would have.

Finally, increased reporting, registration and compliance requirements may divert the attention of personnel and the management teams of the Fund’s manager, and may furthermore place the Fund at a competitive disadvantage to the extent that Carlyle Aviation (as defined below) is required to disclose sensitive business information.

C. Risks Associated With PDP Financing.

As described above, the PDP Financing strategy that CAML will employ for the PDP Fund seeks to capitalize on opportunities to provide PDP financing solutions to market participants by focusing on originating and investing in aviation assets. The PDP Fund will seek to achieve its investment objective primarily through originating and investing in loans made, directly or indirectly, to airlines in order to allow such airlines to satisfy certain aircraft pre-delivery payment obligations. The Investment Adviser generally will utilize the same methods and strategy in respect of the services it will provide to CAML. In addition to the applicable risks described above, the risks to be considered in connection with the management of the PDP Fund include those set forth in the PDP Fund's governing documents, which include, but are not limited to, the following.

Risks Related to the Structure; Ratings. An investment in the PDP Fund on the basis of the structure and potential benefits to investors of investing in a rated instrument involves a high degree of risk that such benefits may not be achieved for a variety of reasons and factors. Such factors include the fact that, at any point, there is a risk that the Revolving Note's (as defined below) or the PDP Fund's investment rating (the "Rating") may be downgraded, not maintained or withdrawn for any number of reasons (including, but not limited to, a failure by PDP GP or its affiliates to use commercially reasonable efforts to maintain the Rating). Thus, each prospective investor must consider, in connection with any decision to invest in the PDP Fund on the basis of the Rating, that there is no guarantee that the Rating will be maintained and that none of the PDP Fund, CAML, CAP (together with certain affiliates, "Carlyle Aviation"²) or any of their respective affiliates shall be liable for any change, downgrade or withdrawal of the Rating. The requirements of the National Association of Insurance Commissioners (the "NAIC"), measurement scale and standards associated with maintaining the Rating may change from those in effect as of the date hereof, and it may become impracticable to maintain the Rating. None of the PDP Fund, CAML, Carlyle Aviation or any of their respective affiliates make any guarantee that any investor will receive the desired risk-based capital treatment or that favorable risk-based capital treatment will be respected by insurance regulators.

Volcker Rule. On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The Dodd-Frank Act includes the addition of a new Section 13 of the Bank Holding Company Act of 1956 and a new Section 27B of the Securities Act (as defined below) (the "Volcker Rule"). Subject to certain exceptions, the Volcker Rule prohibits any "banking entity" (generally defined as any insured bank or thrift and any bank holding company) from engaging in proprietary trading, or sponsoring or investing in a hedge fund or private equity fund. While it may be some time until the Dodd-Frank Act reforms are broadly implemented and the direct and indirect impact of this legislation is fully understood, it is clear that most advisors to private equity funds, as well as most hedge funds and other private pools of capital, are affected. The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and the PDP Fund specifically. Neither CAML nor Carlyle Aviation has sought any assurances from the National

² References to "Carlyle Aviation" (or its affiliates or its related entities) do not include references to Carlyle or any of its other affiliated entities, including Carlyle Global Credit Investment Management L.L.C., a registered investment adviser.

Association of Insurance Commissioners (“NAIC”) as to whether it has endorsed or otherwise approved this structure or the benefits for insurance companies that choose to invest in this or similar structures. Additionally, the NAIC has not provided any representations or warranties to the PDP Fund, CAML, investors, Carlyle Aviation or anyone else as to whether this structure is endorsed or approved by the NAIC.

Lack of Liquidity of the Interests; Distributions in Kind. Although CAML, in its discretion, may agree with an investor to redeem such investor’s interest in the PDP Fund, an investor shall have no right to redeem its interest in the PDP Fund or the Revolving Note,³ and any transfer of an interest in the PDP Fund or a Revolving Note requires the consent of the PDP GP (as set forth in the PDP Fund’s limited partnership agreement (“PDP Fund Agreement”). Unless otherwise agreed to by PDP GP, no investor may transfer its limited partnership interest in the PDP Fund or the Revolving Note without transferring a *pro rata* portion of each in accordance with the requirements of the PDP Fund Agreement.

PDP GP may cause the PDP Fund to distribute some of its investments “in-kind” to the investors. When an investor receives an in-kind distribution of an investment, such investor shall have to make investment decisions concerning the investment without the services of PDP GP, CAML or Carlyle Aviation. In addition, after receiving an in-kind distribution of an investment, the investor shall be responsible for all costs associated with the maintenance and disposition of such investment, which could reduce the investor’s return on such investment had the distribution in-kind not occurred. Further, there may be no market for such investment and such investor may have to hold such investment for an indefinite period of time.

No Required Distributions or Payments. There is no guarantee that the PDP Fund will receive sufficient proceeds to be able to make regular interest payments on the Revolving Notes. As such, except as otherwise set forth in the PDP Fund Agreement or the Revolving Notes, the accrued interest on the Revolving Notes is not due and payable until maturity, which is concurrent with the end of the term of the PDP Fund (including any extensions).

Enforcement of the Revolving Notes. The Revolving Notes are only enforceable by the investors. As such, no single investor is expected to have the right to enforce its Revolving Note individually in the event of a default on the Revolving Note or otherwise.

No Security Interest. The Revolving Notes are unsecured and, as such, will not have the benefits of debt instruments that are secured by assets. Each investor shall have equal and proportionate rights under the Revolving Notes, and no investor shall have a priority right to repayment. The sole recourse of the investors with respect to obligations of the PDP Fund under the Revolving Notes shall be to the assets of the PDP Fund. In the event of any action by the investors to enforce any obligations of the PDP Fund under the Revolving Notes (and as otherwise set forth in the PDP Fund Agreement), the PDP Fund will distribute its limited partnership interests “in kind” to the investors, as well as any cash or other assets on hand (after payment of, or reserves

³ “Revolving Note” means the revolving promissory notes issued by the PDP Fund to each investor in respect of such investor’s debt commitment to the PDP Fund.

for, all expenses, liabilities, commitments and obligations) in full satisfaction of all obligations under the Revolving Notes and redemption of interests.

Business Risks. The PDP Fund's investment portfolio will consist primarily of investments, directly or indirectly, in Aviation Assets, and investment performance in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses. For further discussion of business risks, see generally "Investment Strategy Risks" and "Risks Relating to the Aviation Industry" below.

Future and Past Performance. The PDP Fund is a recently formed entity and has no operating history. The performance of the prior investments made by Carlyle Aviation principals and/or their affiliated investment entities and managed accounts is not necessarily indicative of the PDP Fund's future results. The PDP Fund's investments will differ from previous investments made by the principals in a number of respects, including investments targeted, target return levels, investment strategy, level of risk associated with a particular investment, amount invested in a particular investment, amount of leverage used, structure and holding period. The PDP Fund's investment program should be evaluated on the basis that there can be no assurance that CAML's strategies will be executed in whole or in part, or that the PDP Fund will achieve its objective investment.

While CAML intends for the PDP Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible. With respect to certain of the platforms managed by CAML and/or its affiliates that are managed accounts, certain of the owners thereof retain varying degrees of control and involvement rights with respect thereto, including in certain cases retention of final approval authority over investment decisions.

The PDP Fund will seek to achieve its investment objective primarily through, directly or indirectly, originating and investing in (e.g., through secondaries) loans made, directly or indirectly, to airlines in respect of such airlines satisfying their aircraft pre-delivery payment obligations, which is an investment strategy different from the investment strategy pursued by the other Investment Platforms.⁴ Unlike its experience investing in used mid-life to end-of-life commercial aircraft, engines and/or components, Carlyle Aviation does not have experience or performance history originating and/or investing in such loans for a prospective investor to consider. The investments made by the PDP Fund are expected to differ from previous investments made by the principals in a number of respects.

In addition, the investment team will consist of, and certain day-to-day operations of the PDP Fund will be made and carried out by, certain personnel who Carlyle Aviation has recently hired or engaged. Such personnel have not been involved with the other Investment Platforms. There can be no assurance that Carlyle Aviation personnel will not be solicited by and join

⁴ "Investment Platforms" means prior and future investment entities and their respective affiliated investment entities, including without limitation and only by way of example, private equity funds, hedge funds, managed accounts, proprietary vehicles and ABS-like vehicles, in each case sponsored, formed, managed, advised and/or serviced by Carlyle Aviation.

competitors or other firms or that Carlyle Aviation will be able to hire and retain any new personnel or add to its roster of professionals.

Concentration of Investments. Substantially all or all of the PDP Fund's portfolio will be comprised of a limited number of investments in the aviation industry. The performance of a few holdings or the aviation industry will substantially affect the PDP Fund's aggregate return. In addition, except as otherwise provided in the PDP Fund Agreement, there is no restriction requiring diversification by region or by asset type. The PDP Fund may invest in fewer Aviation Asset investments than anticipated and thus be less diversified.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing Aviation Asset transactions is highly competitive and involves a high degree of uncertainty. It is possible that the PDP Fund will never be fully invested if enough sufficiently attractive investments are not identified.

Illiquidity; Lack of Current Distributions. An investment in the PDP Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains, if any, on successful investments are realized. The expenses of operating the PDP Fund (including the Management Fee payable to CAML) may exceed its income, thereby requiring that the difference be paid from the PDP Fund's capital, including, without limitation, unfunded commitments.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for PDP Fund investments, and hence, most of the PDP Fund's investments will be difficult to value. Certain investments may be distributed in kind to the investors.

Reliance on the General Partner. The PDP Fund has no operating history and will be entirely dependent on PDP GP. Control over the operation of the PDP Fund will be vested with PDP GP, and the PDP Fund's future profitability will depend largely upon the business and investment acumen of the principals. The loss or reduction of service of one or more of the principals could have an adverse effect on the PDP Fund's ability to realize its investment objectives. In addition, the principals currently, and may in the future, manage other investment funds besides the PDP Fund and the principals and other investment professionals may need to devote substantial amounts of their time to the investment activities of such other funds, which may pose conflicts of interest in the allocation of the time of the principals and other investment professionals. Investors generally have no right or power to take part in the management of the PDP Fund, and as a result, the investment performance of the PDP Fund will depend on the actions of PDP GP and CAML. There can be no assurance that the PDP Fund's investments will achieve results similar to those attained by previous investments of the principals.

Estimates. Any future Aviation Asset investment returns are only estimates of future results that are based upon assumptions made at the time the estimates are developed. Accordingly, the estimates should not under any circumstances be understood as the performance of any actual investment vehicle or account. There can be no assurance that the results set forth in the estimates will be attained, and actual results may be significantly different from the estimates. Also, general economic factors, which are not predictable, can have a material effect on the reliability of estimates.

The estimates have been prepared based on CAML's current view in relation to future events, and various other estimations and assumptions made CAML, including assumptions about events that have not occurred, any of which may prove to be incorrect. Therefore, the estimates are subject to uncertainties, changes and other risks that are beyond CAML's or PDP GP's control and any of which may cause the relevant actual, financial and other results to be materially different from the results expressed or implied by such estimates.

The estimates are subject to a number of important risks, qualifications, limitations, and exceptions. The estimates reflect assumptions about market and economic conditions such as the availability of investments for purchase, any of which, if not true, could materially alter the hypothetical performance expressed or implied by the estimates. There are numerous factors related to the markets in general or the implementation of any specific investment program that cannot be fully accounted for in the preparation of estimated performance results, all of which can adversely affect actual investment results.

Significant Adverse Consequences for Default. The PDP Fund Agreement provides for significant adverse consequences in the event an investor defaults on its commitment or any other payment obligation (including Aircraft Purchases). In addition to losing its right to potential distributions from the PDP Fund, a defaulting investor may be forced to transfer its interest in the PDP Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

Risks Associated with Bankruptcy Cases. The PDP Fund's investment activities may result in it becoming involved as a creditor in bankruptcy cases.

Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions (and creditors with respect to certain aviation-related assets that may become subject to Chapter 11 proceedings are, pursuant to Section 1110 of the Bankruptcy Code of 1978, as amended (the "Bankruptcy Code"), under certain circumstances generally allowed to repossess such assets in the event of default), there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of the PDP Fund.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the PDP Fund; it is subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart and the company may not be able to reorganize and may be required to liquidate assets. Furthermore, the debt of companies in financial reorganization will in most cases not pay current interest, may not accrue interest during the reorganization and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

In addition, U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in reorganization for purposes of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that

the PDP Fund's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority by over the claims of certain creditors (for example, claims for taxes) may be quite high.

There are instances where creditors and equity holders lose their ranking and priority as such when they take over management and functional operating control of a debtor. In those cases where the PDP Fund, by virtue of such action, is found to exercise "domination and control" of a debtor, the PDP Fund may lose its priority if the debtor can demonstrate that it was adversely impacted or other creditors and equity holders were harmed by the PDP Fund.

Also, commercial bankruptcy laws in Europe are slowly evolving into a system more akin to the Chapter 11 process in the United States, supporting potential financial restructurings rather than effective liquidations. U.S. insolvency procedures have historically been, and remain, on average more debtor orientated. The reverse is true for the United Kingdom and many other European jurisdictions where secured creditors have had extensive powers to protect their own rights, frequently overriding the interests of other creditors and the debtor. Changes in bankruptcy or other applicable laws may have a material adverse effect on the PDP Fund.

Potential Involvement in Litigation. As a result of the PDP Fund's potential counterparties becoming distressed and the possibility that PDP GP may participate in restructuring activities, it is possible that the PDP Fund may become involved in litigation respecting creditor disputes and similar issues among classes of claimants. Litigation entails expense and the possibility of counterclaims against the PDP Fund, the PDP GP and CAML and may be rendered against the PDP Fund for which the PDP Fund does not carry insurance.

Investment Strategy Risks

The PDP Fund may be required to make additional payments to an OEM if it exercises remedies and forecloses on an Aviation Asset and such payments will not be known at the time the PDP loan is initially made. The PDP Fund's investment strategy involves originating and investing in loans made to airlines the proceeds of which the airlines will use to satisfy pre-delivery payment ("PDP") obligations to an OEM in respect of yet to be delivered aircraft. The borrowers under these loans will generally be bankruptcy-remote special purpose entities formed by, or on behalf of, the airline for the purpose of borrowing money to make PDP payments (the "Borrowers"). The Borrowers' obligations under these PDP loans will be guaranteed by the airline obligated under the purchase agreement with the OEM (the "Airline Guarantor"). The Airline Guarantor or an affiliate will typically assign its rights and obligations under the purchase agreement with the OEM to the related Borrower and the Borrower in turn will assign its rights as collateral to a subsidiary of the PDP Fund (the "PDP Fund Lender") to secure its obligations under the PDP loans. If a Borrower or Airline Guarantor defaults under the PDP loans and the PDP Fund Lender determines to exercise available remedies, the PDP Fund Lender will assume the rights and obligations of the Borrower under the purchase agreement with respect to the aircraft. Among these potential obligations are the requirement to pay the "step-in" purchase price which is generally determined by subtracting from the base price for the aircraft the amount of concessions agreed between the OEM and the PDP Fund Lender and PDPs already received by the OEM.

While the PDP Fund will know the initial estimate of the step-in purchase price under a purchase agreement at the time it initially makes a PDP loan, such price could fluctuate depending on a number of factors including changes to the associated aircraft mandated by regulatory authorities, changes to the configuration or specification of the aircraft made by the airline, and escalation adjustments based on employment cost, consumer price or other indices. While there will be limitations under the PDP loans from making configuration or specification changes that could increase the step-in price, there will be no limitation on other factors that may cause such increases.

If the PDP Fund Lender (and thereby the PDP Fund) were required to fund the step-in purchase price, it could affect the PDP Fund's expected return on that specific PDP loan, require the PDP Fund to utilize liquidity that would have otherwise been available to make investments in other Aviation Assets or, in certain cases, require the investors to make additional payments on top of their respective commitments in the event that there are insufficient remaining commitments to make such step-in payments.

Claw-back of PDPs may increase the step-in purchase price. In determining the step-in purchase price, an OEM may not give credit for PDPs previously paid or financed by the airline if the OEM is required by a bankruptcy or insolvency court to return PDPs. While establishing the Borrower as a bankruptcy-remote special purpose entity and assigning the purchase agreement to the Borrower is designed to mitigate this risk, no assurance can be given that the use of bankruptcy remote entities for these purposes will be successful.

The only security for the PDP loans will be the PDP Fund Lender's right to assume the purchase agreement. While the PDP loans will be secured obligations of the Borrower and guaranteed by the Airline Guarantor, the assets securing the PDP loans will be limited to the contractual rights of the Borrower under the applicable purchase agreement. If the PDP Fund Lender determines to enforce remedies but not accede to the purchase agreement, there will be no other assets to foreclose upon and the PDP Fund Lender will become an unsecured creditor of the Borrower and Airline Guarantor and would be treated the same as any other unsecured creditor of the Borrower and Airline Guarantor.

It may be costly for an PDP Fund Lender to enforce remedies. If a Borrower or Airline Guarantor defaults on its obligations under a PDP loan, the PDP Fund Lender may be required to expend a significant amount of money in order to properly enforce its remedies. In addition to typical costs associated with the enforcement of remedies (such as legal and other professional advisor costs), the PDP Fund Lender could incur costs associated with the aircraft that is the subject of that applicable purchase agreement. These costs may include any PDPs not funded by the PDP loans or otherwise previously paid by the Borrower or Airline Guarantor and the difference between the PDPs and the purchase price of the aircraft. In addition, if the PDP Fund Lender were to take delivery of the aircraft pursuant to the purchase agreement, it would be required to store the aircraft until it could be sold or leased to another airline or aircraft lessor. Further, in connection with a sale or lease of the aircraft to another airline or aircraft lessor, the PDP Fund Lender may be required to reconfigure the aircraft for the new purchaser or lessee's needs and requirements.

If the PDP Fund Lender (and thereby the PDP Fund) were required to purchase an aircraft and make these expenditures, it could affect the PDP Fund's expected return on that specific PDP loan, require the PDP Fund to utilize liquidity that would have otherwise been available to make investments in other Aviation Assets or, in certain cases, require the investors to make additional payments on top of their respective commitments in the event that there are insufficient remaining commitments. No assurance can be given that upon the sale or lease of the aircraft in these situations that the PDP Fund will be able to recover its expenditures let alone realize its expected return on the applicable PDP loan.

The Borrower and Airline Guarantor may not have sufficient funds to repay the loans. Each PDP loan entered into by an PDP Fund Lender will generally mature at the end of the scheduled delivery month of the aircraft that is the subject of the applicable purchase agreement whether or not the aircraft has been delivered. While the PDP Fund Lender can agree to extensions, it is not obligated to do so. Many of the airlines that will be Airline Guarantors will look to finance or sell the aircraft upon delivery and use a portion of the proceeds to repay the PDP loans. If the PDP loans mature at a time when the airline cannot finance or sell the aircraft – whether as a result of the failure to take delivery of the aircraft during the scheduled delivery month, a displacement in the capital markets leading to lack of aircraft financing or otherwise – the Borrower and Airline Guarantor may not have sufficient funds to repay the PDP loans at maturity. Under these circumstances, the PDP Fund Lender may be able to enforce remedies but enforcement of such remedies may be subject to the risks described elsewhere in this “Investment Strategy Risks” section.

Performance risk of OEM. Each OEM is required to manufacture the aircraft to conform to the terms specified in the applicable purchase agreement, including the appropriate type certificate issued by the Federal Aviation Administration or the European Aviation Safety Agency. If an OEM fails to do so, the Borrower will only be able to terminate the Purchase Agreement after an extended period of time, usually 12 months, and only then could it request a refund of the PDPs. Any such delay in a refund of PDPs could further affect the Borrower's ability to repay the PDP loans.

Ownership Risk Associated with Investment Strategy. The PDP Fund's investment strategy involves originating and investing in (e.g., through secondaries) loans, directly or indirectly, to airlines in respect of such airlines satisfying their aircraft pre-delivery payment obligations to an aircraft manufacturer in respect of aircraft purchased thereby.

Numerous factors, many of which are beyond the control of the PDP GP, may have an impact on the ability to complete Aviation Asset investments. Such factors include the demand for various types of aircraft, engines and other major components, general market and economic conditions, regulatory initiatives (particularly those imposing environmental, maintenance and other requirements on the operation of aircraft), significant shifts in the supply of or demand for Aviation Assets, and technological advances in airframe and/or engine technology.

Aircraft Accidents. An aircraft crash, such as the recent Boeing 737 MAX 8 crashes, or other serious accident could expose the PDP Fund to significant liability and reduce the demand for certain Boeing aircraft. In addition, airline operators and/or aviation authorities may ground aircraft due to safety concerns. As a result, the PDP Fund may be forced to bear substantial losses

stemming from an accident. For example, airline operators and aviation authorities in the United States, Europe, China, Canada and other countries suspended the use of Boeing's 737 MAX 8 aircraft over concerns about its safety, after an Ethiopian Airlines flight of the same model crashed in March 2019. The Boeing 737 MAX 9, which has nearly identical design features as the Boeing 737 MAX 8, was also grounded across the globe. Given that the PDP Fund expects airlines to purchase aircraft from Boeing, the PDP Fund may not be able to implement its investment strategy if certain aircraft are grounded for an extended period of time, fail to meet safety standards or if airlines choose to stop purchasing Boeing aircraft.

In addition, any crash or serious accident involving Boeing or Airbus aircraft could create an adverse public perception, which could result in air travelers being reluctant to fly on such aircraft and may adversely impact the PDP Fund's business, results of operations and financial condition.

Risks Relating to the Aviation Industry

Aviation Regulation. The aviation industry is (i) highly regulated in the United States and internationally and (ii) subject to regulatory change. While the PDP Fund intends to make investments that comply with relevant laws and regulations, certain aspects of the PDP Fund's operations may not have been subject to judicial or regulatory interpretation. An adverse review or determination by any one of such authorities, or an adverse change in the regulatory requirements, could have a material adverse effect on the PDP Fund's investments. The U.S. Congress may introduce legislative proposals that would effect major changes in the U.S. aviation industry. The aviation industry outside of the United States is also subject to significant regulatory changes. It is not clear at this time what changes, if any, will occur and what effect any proposals would have on the aviation industry.

Effects of Industry Economic Losses and Airline Reorganizations. The aviation industry as a whole suffered significant losses as a result of deteriorating international economic conditions during the global financial crisis and may again do so in the future. Many airlines have announced reductions in capacity, services and employee workforce in response to industry-wide reductions in passenger demands and yields. Over the past decade, multiple airlines have sought to reorganize and seek protection from creditors under their local laws. Airlines involved in reorganizations typically undertake substantial fare discounting to maintain cash flows and to encourage continued customer loyalty. Such fare discounting has led to lower yields for all airlines.

Airline Credit Risk. CAML will endeavor to evaluate the credit risk associated with its counterparties. In addition to CAML's independent assessment of the counterparty's credit standing using public information, data provided by the operator, financial institutions, industry periodicals, trade references, and/or regulatory authorities, CAML will utilize, when it deems appropriate and practicable, credit and rating agency reports and/or research reports published by investment banks to get a better understanding of the counterparty's financial condition and viability. On the basis of such review, CAML will assess the credit rating of the operator and weigh that credit evaluation against the asset risk, the interest rate, the security held and the loan structure, in determining whether the operator meets the PDP Fund's criteria.

Nonetheless, many factors can dramatically and quickly impact an individual airline's viability. These include fuel prices, pandemics, labor disruptions, air crashes, and new or intensified competition. Should an airline file for a re-organization under bankruptcy statutes, there is the added risk the owner may be at least temporarily prohibited from foreclosing on or repossessing its aircraft.

It is expected that the PDP Fund will make loans to airlines for the purchase of aircraft from Boeing and Airbus. The bankruptcy or insolvency of Boeing and/or Airbus will have a material adverse effect on the PDP Fund. If Boeing and/or Airbus fail to meet their respective contractual obligations, file for bankruptcy or otherwise experience a business interruption, the PDP Fund may not be able to conduct its investment strategy. Furthermore, this may expose the PDP Fund to the risk that there may be a delay in the manufacturing and/or delivery of aircraft. Mechanical, safety or regulatory issues associated with Boeing and/or Airbus aircraft may adversely and materially impact the returns of the PDP Fund. See "Aircraft Accidents" above for additional information.

Default of Airline Payments. The investors will remain obligated to make capital contributions to the extent necessary to make purchase price payments for aircraft which the PDP Fund must acquire in light of an aircraft default (such acquisitions, "Aircraft Purchases"). If the capital contributions made by investors are inadequate to cover the purchase price, the PDP Fund may, and is expected to, require additional capital contributions from investors to fund the shortfall. For the avoidance of doubt, Aircraft Purchases may require investors to make additional payments on top of their respective commitments in the event that there are insufficient remaining commitments to make such purchase(s).

Re-possession of aircraft after a default may result in the PDP Fund incurring costs in excess of those that would have been incurred had the airline fulfilled its payment obligations. Those additional costs include legal and other expenses of court or governmental proceedings to obtain possession and/or re-registration of the aircraft and flight and export permissions. Delays resulting from any of these proceedings would also increase the period during which the relevant aircraft is not generating revenue. In addition, the PDP Fund may need to pay off liens, taxes and governmental charges in order to obtain unencumbered possession and sell the aircraft effectively. The PDP Fund may also incur costs in connection with the physical possession of the aircraft. Any of these costs or delays may adversely and materially impact the returns of the PDP Fund. The rights of the PDP Fund upon an airline default may be subject to limitations of applicable law, including the need to obtain a court order for possession of aircraft and/or consents for deregistration or re-export of aircraft. When a defaulting airline is in bankruptcy, protective administration, insolvency or similar proceedings, additional limitations may apply. Certain jurisdictions will give rights to the trustee in bankruptcy or a similar officer to assume or reject the loan agreement or to assign it to a third-party, or will entitle the airline or another third-party to retain possession of the aircraft (without having to perform all or some of the obligations under the relevant loan agreement). Accordingly, the PDP Fund may be delayed in or prevented from, or may incur additional costs including legal costs, enforcing certain of the PDP Fund's rights under the relevant loan agreement and in selling the affected aircraft. Such delays and costs may adversely and materially impact the returns of the PDP Fund.

Effect of Airworthiness Directives and Operating Restrictions. The maintenance and operation of aircraft, engines and related technology assets are strictly regulated by the Federal Aviation Administration (“FAA”) in the U.S. and similar governmental authorities in foreign jurisdictions. These rules and regulations govern such matters as certification, registration, inspection, operation and maintenance procedures, personnel certification and record keeping. Periodically, the FAA issues airworthiness directives requiring changes to aircraft, engine or related technology assets maintenance programs and procedures. Such airworthiness directives are issued from time to time with respect to aircraft, aircraft engines and related technology assets to ensure that they remain airworthy and safe. The cost of compliance with such requirements may be significant.

Requirement for Certain Licenses and Approvals. Some transactions may require the PDP Fund to obtain licenses, consents or approvals from governmental or other regulatory authorities. Subsequent changes in applicable law or administrative practice may increase such requirements. In addition, a governmental consent, once given, might be withdrawn or expire without renewal. The PDP Fund may have difficulty acquiring the licenses, consents or approvals. Any of these events could negatively affect the PDP Fund’s ability to make distributions to investors.

ITEM 9
DISCIPLINARY INFORMATION

The Investment Adviser and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the Investment Adviser or its personnel. For information regarding Carlyle, please see Part 1 and Part 2 of Form ADV of the various Carlyle-affiliated investment advisers, available at: <http://www.adviserinfo.sec.gov/>.

ITEM 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status.

The Investment Adviser and its supervised persons are not registered as broker-dealers and do not have any application pending to register as a broker-dealer or registered representative of a broker-dealer.

TCG Capital Markets L.L.C. (“TCG Capital Markets”), an affiliate of the Investment Adviser, is a FINRA registered broker/dealer that operates as part of the Carlyle Capital Solutions platform (“CCS”) and engages in the placement of securities of corporate issuers in private transactions, among other related activities, including marketing and fundraising. In addition, TCG Capital Markets is registered as a broker/dealer with the SEC and in 48 states and the District of Columbia.

TCG Capital Markets engages in the underwriting, syndication and placement of securities of corporate issuers in private transactions, among other related activities, including U.S.-based marketing and fundraising activities on behalf of the Investment Adviser. The Investment Adviser does not use TCG Capital Markets to execute trades on behalf of clients and does not hold funds or securities for, or owe money or securities to, clients of the Investment Adviser.

In addition to TCG Capital Markets, there are other U.S. and non-U.S. broker-dealer affiliates of Carlyle whose activities are unrelated to the activities of the Investment Adviser. For information regarding Carlyle, please see Part 1 and Part 2 of Form ADV of the various Carlyle-affiliated investment advisers, available at: <http://www.adviserinfo.sec.gov/>.

B. Material Relationships or Arrangements with Industry Participants.

The Carlyle Group

As discussed in Item 4 above, the Investment Adviser is affiliated with Carlyle. The Investment Adviser operates separately from, and carries out its investment process independent of, Carlyle and other Carlyle-affiliated investment advisers.

Carlyle is a global alternative asset management firm with business operations across several business segments. Although the Investment Adviser is a separately-registered investment adviser and carries out its investment operations independently of Carlyle, the Investment Adviser’s status as part of the larger Carlyle organization raises certain actual and potential conflicts of interest, as discussed below.

Further, the Investment Adviser intends to share or leverage certain operational functions and resources at Carlyle, such as corporate accounting, information technology, and compliance. Because Carlyle has many different asset management and advisory businesses and operates on a global basis, the Investment Adviser may be subject to greater regulatory oversight than it would be absent its relationship with Carlyle. The Investment Adviser and its clients also may be subject to certain legal and other restrictions on their investment activities as a consequence of the Carlyle

relationship including, for example, limitations imposed by non-U.S. regulatory authorities, or restrictions on the purchase or sale of, or exercise of voting or other rights with respect to, the debt instruments of an issuer when a Carlyle advisory client holds the equity of the issuer and the issuer is an affiliate of Carlyle.

Carlyle and its directors, members, managers, partners, shareholders, officers, employees, agents and affiliates (including the Investment Adviser and its officers, employees, agents and affiliates) may conduct any other business, including any business within the securities industry, whether or not such business competes with the Investment Adviser. Without limiting the generality of the foregoing, Carlyle and its affiliated companies and persons act and will continue to act as general partner, investment adviser or investment manager for others, manage funds, separate accounts or capital for others, have, make and maintain investments in their own name or through other entities and may serve as officers, directors, consultants, partners or stockholders of one or more investment funds, partnerships, securities firms or advisory firms.

For the purposes of this brochure, references to the “Investment Adviser” include its affiliates specified above, but do not include references to Carlyle. For additional information regarding Carlyle-affiliated investment advisers, such as Carlyle Global Credit Investment Management L.L.C. and CELF Advisors LLP, including persons related to such advisers that may act as investment advisers or sub-advisers or commodity pool operators please see Part 2 of Form ADV of such particular investment adviser, available at: <http://www.adviserinfo.sec.gov/>.

C. Material Conflicts of Interest Relating to Other Investment Advisers.

We do not recommend or select other investment advisers for our clients. The Investment Adviser and CASP are affiliated with CAML, which files as an exempt reporting adviser with the SEC. As described above, the Investment Adviser will provide non-discretionary investment advisory services to CAML pursuant to a sub-advisory agreement in connection with CAML’s management of the PDP Fund. The Investment Adviser will have no authority to make investment decisions for the PDP Fund and will solely provide non-discretionary advisory services to CAML pursuant to the terms of the sub-advisory agreement with CAML.

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

A. Code of Ethics.

We strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, we have 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 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 clients, including a client’s investors, must be kept confidential; and
- independence in the investment decision-making process must be maintained at all times.

Clients may request a copy of the Code by contacting us at the address or telephone number listed on the first page of this document.

As noted above, the Investment Adviser is also subject to written policies and procedures to account for the pay-to-play regulations promulgated by the SEC, and to comply with the New York Attorney General’s Public Pension Fund Reform Code of Conduct, which governs the Investment Adviser’s interactions with U.S. public pension funds.

The Investment Adviser may take disciplinary measures against any of the Investment Adviser’s personnel who violate the Code, including, without limitation, imposing penalties, reducing compensation, demotion, requiring unwinding of any applicable trade, requiring disgorgement of trading gains, suspending or terminating employment, or any combination of the foregoing. The Investment Adviser’s personnel are also required to promptly report any violation of the Code of which they become aware.

B. Securities in which the Investment Adviser or a Related Person Has a Material Financial Interest.

1. *Cross Trades*

Given the nature of the PDP Fund’s investment strategy, it is unlikely that cross trades will occur. However, CAML or the Investment Adviser may determine that it would be in the best interests of certain clients to transfer a security from one client to another (each such transfer, a

“Cross Trade”) for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the clients, or to reduce transaction costs that may arise in an open market transaction. If CAML or the Investment Adviser decides to engage in a Cross Trade, the Investment Adviser will determine that the trade is in the best interests of each client involved in it and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those clients. Further, no cross trades may be effected without the express written approval of the Investment Adviser’s chief compliance officer.

2. Principal Transactions

To the extent that Cross Trades may be viewed as principal transactions due to the ownership interest in a client by the Investment Adviser or its personnel, CAML and the Investment Adviser will comply with the requirements of Section 206(3) of the Advisers Act, including that any such transactions will be considered on behalf of investors in such a client and approved or disapproved by (i) an advisory board comprised of representatives of such investors or (ii) a committee consisting of one or more persons selected by CAML or the Investment Adviser (or its affiliate), and any valuation approved by such a committee will be determined by an independent third party that has appropriate experience in providing such valuations. Further, no principal transactions may be effected without the express written approval of the Investment Adviser’s chief compliance officer.

C. Investing in Securities that the Investment Adviser or a Related Person Recommends to Clients.

The Code places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to the Investment Adviser on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions, such as investments in private placements and initial public offerings. Employees are also required to pre-clear any investments in aviation-related securities and, in general, requests to trade in aviation-related securities will only be considered if the request is to dispose of aviation-related securities positions that were established prior to being employed by the Investment Adviser.

The Investment Adviser, its affiliates and its employees may give advice or take action for their own accounts and other clients that may differ from, conflict with or be adverse to advice given or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients.

The Investment Adviser has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code, as described above, and regular monitoring of employee transactions and trading patterns for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades.

D. Conflicts of Interest Created by Contemporaneous Trading.

It is the policy of the Investment Adviser to allocate investment opportunities among all clients in a fair and equitable manner, to the extent practical and in accordance with each client's applicable investment strategies, over a period of time.

As noted above, the Investment Adviser provides non-discretionary services to CAML with respect to CAML's management of the PDP Fund. If CAML or the Investment Adviser have multiple clients in the future, the PDP loans originated to implement the investment strategy may be allocated on a rotational basis or on a pro-rata basis if such an arrangement can be permitted according to the PDP loan documents negotiated with the borrowers and the aircraft manufacturer.

E. Other Potential Conflicts

From time to time, the Investment Adviser and its affiliated persons may come into possession of material non-public or other confidential information with respect to an issuer of publicly traded securities. In such circumstances, the Investment Adviser (as applicable) generally would be prohibited, by law, policy and/or contract, for a period of time from (i) unwinding a client position in such issuer, (ii) establishing an initial client position or taking any greater client position through a secondary market PDP loan transaction and/or (iii) pursuing other investment opportunities related to such issuer that involve the trading of securities on the secondary market.

Allocations. The PDP Fund is the sole client to which the Investment Manager provides sub-advisory services on behalf of CAML. All PDP loans originated by CAML will be for the benefit of the PDP Fund.

Intangible Benefits. The Investment Adviser and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of clients that will not be subject to the management fee offset or otherwise shared with clients or investors. For example, airline travel or hotel stays incurred as fund or account expenses typically result in cash rebates, "miles," "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to such personnel (and not the clients and/or investors) even though the cost of the underlying service is borne by the clients and/or investors. Although the Investment Adviser has never charged travel-related expenses to clients and/or investors, such expenses may be incurred in the future.

ITEM 12

BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.

The Investment Adviser neither uses the services of broker-dealers nor selects or recommends broker-dealers. Therefore, the Investment Adviser does not benefit from soft dollar arrangements and does not have a need to aggregate the purchase or sale of securities for client accounts.

1. Research and Other Soft Dollar Benefits.

The Investment Adviser currently does not expect to receive or use soft dollars as neither the Investment Adviser nor CAML expect to engage broker-dealers to implement their investment strategy.

2. Brokerage for Client Referrals.

Neither the Investment Adviser nor any related person receives client referrals from any broker-dealer or third party.

3. Directed Brokerage.

The Investment Adviser does not recommend, request or require that a client direct the Investment Adviser to execute transactions through a specified broker-dealer.

B. Order Aggregation.

Neither the Investment Adviser nor CAML expects to have a need to aggregate the purchase or sale of securities for client accounts since all investments in PDP Loans will be the made for the benefit of the PDP Fund.

C. Trade Errors.

The Investment Adviser maintains an internal trade error policy that will apply in the absence of any specific regulatory or contractual provisions (*e.g.*, for an account that constitutes “plan assets” under ERISA). Among other things, this policy requires that the Investment Adviser’s personnel correct errors as soon after discovery as reasonably practical, report errors to the Chief Compliance Officer, and reverse losses suffered as a result of the Investment Adviser’s gross negligence or willful misconduct.

ITEM 13

REVIEW OF ACCOUNTS

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

We perform periodic reviews of each client's portfolio. Such reviews are conducted by the members of the Investment Adviser, CAML, or compliance group.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review.

A review of a client account may be triggered by any unusual activity or special circumstances.

C. Content and Frequency of Account Reports to Clients.

We generally provide annual audited financial statements to our clients within 90 days of the applicable client's fiscal year end.

Investors in PDP Fund receive a letter from CAML, no less frequently than quarterly, documenting the performance of the PDP Fund, along with a commentary by CAML. Information also may be available through a fund administrator's password-protected website. In addition, CAML issues investors tax reports and audited financial statements concerning their respective Funds within 90 days of the end of the Fund's fiscal year.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients.

We do not receive economic benefits from non-clients for providing investment advice and other advisory services.

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

Neither we nor any of our related persons directly or indirectly compensates any person who is not a supervised person.

ITEM 15 CUSTODY

The Investment Adviser and/or CAML is deemed to have custody of client funds and securities in instances when it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent by qualified custodians to the Investment Adviser and CAML.

The Investment Adviser is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule") for its Fund clients. However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund for which it has custody because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that the Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that the Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

ITEM 16
INVESTMENT DISCRETION

The Investment Adviser will serve as a non-discretionary sub-adviser solely to CAML pursuant to the terms of a sub-advisory agreement.

ITEM 17

VOTING CLIENT SECURITIES

A. Policies and Procedures Relating to Voting Client Securities.

It is not expected that the clients will hold equity securities, thus we do not expect to participate in proxy votes. In compliance with Advisers Act Rule 206(4)-6, the Investment Adviser has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, “Proxies”) in a prudent and diligent manner that will serve the applicable client’s best interests and is in line with each client’s investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities;
- the anticipated costs and benefits associated with the proposal;
- the effect on liquidity; and
- customary industry and business practices.

In certain circumstances, the Investment Adviser may refrain from voting Proxies where we believe that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to its clients. Generally, clients may not direct our vote in a particular solicitation.

Conflicts of interest may arise between the interests of the clients on the one hand and us or our affiliates on the other hand. If we determine that we may have, or be perceived to have, a conflict of interest when voting Proxies, we will vote in accordance with our proxy voting policies and procedures. Clients may obtain a copy of our proxy voting policies and our voting record upon request.

Investors in the PDP Fund are passive investors and have minimal ability to influence voting decisions. CAML, as manager of the PDP Fund, exercises voting rights on behalf of the PDP Fund. The Investment Adviser does not have and will not accept the authority to vote in relation to CAML or PDP Fund securities matters.

ITEM 18
FINANCIAL INFORMATION

The Investment Adviser is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19
REQUIREMENTS FOR STATE REGISTERED ADVISERS

This item is not applicable as the Investment Adviser is not registered in any state.