



GoldenTree Asset Management LP

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Part 2A of Form ADV: Firm Brochure

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This Brochure provides information about the qualifications and business practices of GoldenTree Asset Management LP. If you have any questions about the contents of this Brochure, please contact a Business Development representative at 212-847-3500 or by email at info@goldentree.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about GoldenTree Asset Management LP is available on the SEC’s website at <http://www.adviserinfo.sec.gov>.

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

Item 2 Material Changes

Within this section, GoldenTree Asset Management LP (“GoldenTree”) must identify and discuss any material changes made to its Form ADV Part 2A (the “Brochure”) since its last annual update. There have been no such changes to the Brochure since the last annual update.

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Item 4 Advisory Business

GoldenTree is an employee owned global credit asset management firm that specializes in opportunities across the global credit universe in sectors such as high yield bonds, leveraged loans, distressed debt, structured products, emerging markets, private-equity and credit-themed equities. The firm has been managing assets on behalf of our investors for over 20 years and has managed an asset base of more than \$5 billion since 2003. As of January 1, 2020, GoldenTree and its affiliates had approximately \$32 billion in assets under management managed on a discretionary basis. Note that the method for computing Client assets under management is different than the method for computing regulatory assets under management required for Item 5.F. in Form ADV Part I.

Our investments are designed with the intent to preserve and grow our investors' capital utilizing our fundamental value-based approach. This approach is executed by, what we believe to be, one of the most experienced teams of investment professionals in the market place. The firm's partnership structure is designed to seek that we are disciplined in managing our capital base and focused on delivering differentiated top tier performance relative to our peer group. The firm partners are also investors in GoldenTree's funds. The firm has over 250 employees, 27 of whom are partners, with offices in New York, London, Dublin, Singapore, Sydney and Tokyo.

GoldenTree has been registered with the United States Securities and Exchange Commission ("SEC") since January 2001. GoldenTree is a Delaware limited partnership formed in 2000. Mr. Steven A. Tananbaum is the Senior Managing Member of GoldenTree Asset Management LLC, the General Partner of GoldenTree.

GoldenTree and its affiliated entities offer investment advisory services and generally manage discretionary investment funds or accounts for institutional investors including public and corporate pensions, endowments, foundations, insurance companies and sovereign wealth funds.

GoldenTree offerings include the following:

- Private Investment Funds (each a "Fund" and collectively, the "Funds"): GoldenTree sponsors various Funds such that an underlying Fund investor can invest in a particular Fund that best suits its own investment objectives and risk tolerances. Investors in GoldenTree Funds must be both (i) "Accredited Investors" and "Qualified Purchasers" or (ii) non-U.S. persons as defined under applicable SEC rules and regulations.
- Separate Account Mandates (together with the "Funds", the "Clients"): GoldenTree offers Clients the ability to customize their separate account mandates as described in the investment program of the relevant Client's private placement memorandum or as set forth in the Client's organizational documents and/or in the investment management agreement with such Client. While Clients generally choose GoldenTree as an investment

manager based on its global credit expertise, Clients may impose investment restrictions based on their individual investment objectives. For example, some Clients may have regional or instrument type limitations. Further, while some Clients may choose to invest only on a long-only basis other Clients will permit short selling or use of leverage.

- Collateralized loan obligation (“CLOs”): GoldenTree has an affiliated U.S. based registered investment adviser, GoldenTree Loan Management, LP (“GLM”), and a relying adviser that is not a separately registered investment adviser, GoldenTree Loan Management II LP (“GLM II”) that manage and are designed to invest primarily in CLO investments that in turn invest primarily in senior secured loans. GoldenTree is the manager for CLO funds originally issued prior to 2017 or subsequently refinanced.
- 1940 Act Registered Fund: GoldenTree has an affiliate, GoldenTree Asset Management Credit Advisor LLC, that serves as a U.S. based registered investment adviser for the purpose of managing (under a sub-advisory agreement) funds registered under the United States Investment Company Act of 1940.

Please note that GoldenTree does not participate in wrap fee programs.

Please refer to Item 8 for a more detailed description of GoldenTree’s investment strategies as well as the securities and other instruments purchased by Clients under the management of GoldenTree.

Persons reviewing this Brochure should not construe this as an offering of securities or a solicitation to purchase shares in any of the Funds described herein, which will only be made pursuant to the delivery of a private placement memorandum to eligible investors. These Funds, as well accounts managed directly by GoldenTree, will provide for an investment management agreement between the Client and GoldenTree detailing the types of investments that may be purchased/sold, whether the Client may use leverage and to what extent, and whether short-selling is permitted.

Item 5 Fees and Compensation

Clients are typically charged a management fee that is generally based on the net asset value (“NAV”) of the assets under management at a negotiated rate depending upon the type of fund or account managed and strategy. With respect to certain close-ended Funds and separately managed accounts with private equity-like terms, management fees may be based on funded commitments to such funds or NAV. For CLOs managed by GoldenTree, the management fee will be based on the aggregate deal size or the amount of assets managed taking into account the effects of leverage. Certain Clients will also be charged an annual performance fee depending upon the investment mandate. In such cases, the negotiated performance fee will be based on

net capital appreciation at the end of a fiscal year for GoldenTree's evergreen alternative offerings and realized gains for close-ended funds and separately managed accounts with private equity-like terms (after generally the return to investors in such private equity funds of their contributed capital and the Client achieving a certain preferred return).

With respect to our evergreen alternative offerings (in Fund and separately managed account format), losses typically will be carried forward from year-to-year, depending on the Client's terms and conditions, so that no performance fee (or a reduced performance fee) is charged unless some or all of such losses incurred through the end of the period for which the fee is to be paid (or made) have been recouped (such an arrangement being called a high water mark provision). Certain Funds (and separately managed accounts that allow for a performance fee to be charged) may also have a preferred rate of return that must be met prior to a performance fee being assessed.

The annual management fee is calculated and assessed at the beginning or end of each quarter depending upon the Client. Withdrawing investors from a Fund or Clients that terminate investment advisory services before the end of a billing period are generally refunded any prepaid fees in excess of those applicable to the period of actual investment.

With respect to separately managed accounts, fee arrangements are negotiated prior to the engagement of GoldenTree as an investment manager.

In regard to Funds, the respective offering documents will disclose the fee arrangements associated with the different share classes offered to investors. A Fund's offering documents generally permit GoldenTree or such Fund to waive, rebate, or reduce all or part of the management fee and/or performance fee with respect to investments made by certain investors without waiving, rebating, or reducing the fees charged/payable to other investors (such as in the case of, but not limited to, investments in such Fund made by GoldenTree, its partners/employees and their family members). In addition, in certain cases GoldenTree, as the Investment Manager, will have the discretion to grant special or more favorable rights, without limitation, with respect to fees, transfers, notices and transparency. Such rights may be granted to any Fund investor, including, without limitation, principals, members or employees (and their respective family members) of GoldenTree and its affiliates and other select third parties. To effect such waivers or modifications or to grant any special or more favorable rights, the Fund will enter into agreements (such as "Side Letters") or issue other classes of shares.

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

If received in connection with investments, fees such as break-up fees, director fees, etc. will be remitted to Clients (or a fee/expense offset will occur that will equal such break-up fees, directors fees, etc.). GoldenTree will not retain any such fees.

Clients will generally incur brokerage and other transaction costs in connection with the purchase and sale of investments by GoldenTree (see Item 12: Brokerage Practices). Clients may also incur, to the extent permitted under the applicable Client documentation, costs and expenses associated with borrowing arrangements and other indebtedness (as applicable), including but not limited to (i) the costs of establishing the borrowing arrangements and such other indebtedness; (ii) the costs of any placement, commitment, rating agency, trustee, underwriting and legal fees and expenses; and/or (iii) the costs of organizing and maintaining any financing arrangement.

Further, with respect to separately managed accounts, the expenses charged such as legal and tax advice, audit, administration, custodial, research, systems/databases relating to portfolio management functions, compliance monitoring, performance analytics and risk management, etc. are detailed in the investment management agreements. With respect to the Funds, expenses charged to underlying investors will be detailed in the Funds' offering documents.

In regard to expenses charged to certain Clients, GoldenTree has an interest in a company that provides various services to certain of its portfolio management groups such as its Structured Products Group. Specifically, GoldenTree, through an affiliated entity, maintains a 20% membership interest in Clarity Solutions Group LLC ("Clarity" a/k/a "Kanerai"), the remaining 80% of which is controlled by a former employee of GoldenTree. As consideration for its membership interest, GoldenTree's affiliate has granted to Clarity an exclusive (except as to GoldenTree and its affiliates), royalty free license to use certain technology developed by GoldenTree and its affiliates and has contributed to Clarity certain equipment for use in Clarity's business. Clarity has entered into a Master Services Agreement and underlying statements of work (together, the "MSA") with GoldenTree on behalf of certain of the Clients, pursuant to which, for a fee payable by these Clients to Clarity (plus reimbursement by these Clients of various out-of-pocket costs and expenses of Clarity), Clarity provides certain technology, analytical and advisory services as requested by GoldenTree from time to time. These services support GoldenTree's structured products, CLO and asset-based securities investments and other investment activities on behalf of certain GoldenTree Clients. GoldenTree has implemented a process for expensing Clarity's fees across various Client accounts. Similar to what occurs in relation to other research expenses, certain Clients will pay a higher management fee which is inclusive of Clarity's fees and other Clients will pay a lower management fee and have a direct pro-rata allocation of Clarity's fees invoiced to their account. In the instance where a Client pays the management fee inclusive of Clarity's fees, GoldenTree will pay such Client's pro-rata portion of Clarity's fees.

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The MSA and applicable statements of work thereunder may be terminated in accordance with the stated term of these agreements, upon a material breach of such agreements, or upon the dissolution of Clarity under certain circumstances. Further, pursuant to these arrangements, the Clients are afforded most favored nation status from Clarity in regard to, among other things, pricing and service related terms and conditions. The management fees payable by the Clients to GoldenTree will not be reduced by the amount of the fees payable by the Clients to Clarity under the MSA, since GoldenTree is not obligated under its management agreements with the Clients to provide such services. Accordingly, GoldenTree benefits economically through the arrangement with Clarity in that its costs will be reduced and it will share in 20% of the net profits of Clarity. GoldenTree believes, however, that the fees to be charged to the Clients under the MSA are reasonable in relation to the services provided and are comparable to what GoldenTree believes other third party providers would charge, and will renew the MSA and/or statements of work thereunder only if it is reasonably satisfied that this standard has been met. Further, as other clients retain Clarity to provide services similar to those provided to the Clients, the fees charged to the Clients may decrease as well. If any Client has any questions, or would like to receive details regarding the Clarity related expenses, please contact GoldenTree's Business Development group.

In addition, GoldenTree's affiliated U.S. based registered investment adviser, GLM, manages and is designed to invest primarily in CLOs that in turn invest primarily in senior secured loans. Pursuant to an advisory services agreement, GLM will receive a fee to provide investment advice, on a non-discretionary basis, to GoldenTree in regard to CLOs managed by GoldenTree and/or with respect to certain individual investments held in one or more GoldenTree managed funds/accounts. Refer to Item 10 for further information regarding GLM and the services it provides. Moreover, GoldenTree has another affiliated U.S. based registered investment adviser, GoldenTree Asset Management Credit Advisor LLC that was established for the purpose of managing (under a sub-advisory agreement) funds registered under the United States Investment Company Act of 1940.

Prepayment of Fees

Please see responses in Item 5 above.

Additional Compensation and Conflicts of Interest

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

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

As noted previously, GoldenTree and/or its affiliated entities charge performance fees for certain separately managed accounts and Funds. In addition, GoldenTree manages other Client accounts that are only charged investment management fees and are not charged performance fees. Clients should be aware that performance fee arrangements create a conflict of interest for GoldenTree, as they could create an incentive for GoldenTree to make investments that are riskier or more speculative than it would otherwise make absent a performance fee.

In situations in which certain Clients pay performance fees and other Clients do not, there may be a perceived incentive for GoldenTree to allocate more favorable investment opportunities to those Clients who pay performance fees. In order to mitigate this conflict, GoldenTree has implemented trade allocation policies and procedures pursuant to which GoldenTree seeks to allocate investments in a fair and equitable manner over a reasonable time period. In addition, GoldenTree's Compliance Department regularly reviews trading as described herein. Further, GoldenTree's Chief Investment Officer and its senior Portfolio Managers regularly review Client portfolios in order to help ensure that all transactions are being allocated in a manner that GoldenTree believes to be in the interests of all Clients.

Item 7 Type of Clients

GoldenTree and its affiliated entities generally manage discretionary investment funds and advisory accounts for institutional investors including public and corporate pensions, endowments, foundations, insurance companies, family offices and sovereign wealth funds. The majority of invested capital managed by GoldenTree in its Funds is attributable to institutional clients globally. With respect to pension plan Clients covered under the Employee Retirement Income Security Act of 1974 (ERISA) that are directly managed, GoldenTree provides investment advisory services both in its capacity as an SEC registered investment adviser and as a fiduciary as that term is defined under Section 3(21)(A) of ERISA.

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

GoldenTree is a fundamental value investor with a total-return, catalyst-driven investment process. GoldenTree's investment philosophy focuses on the belief that competitive risk adjusted returns are achieved by actively managing portfolios on a total return basis. In addition, GoldenTree's investment process is designed to minimize the incidence and severity of loss.

GoldenTree's investment philosophy is based on four pillars:

- i. Robust Fundamental Analysis to Determine Enterprise Value
- ii. Analysis of Capital Structure to Ensure High Margin of Safety
- iii. Identified Catalysts to Drive Total Return
- iv. Real-Time and Rigorous Relative Value Analysis

GoldenTree applies its investment process across several asset classes in the global credit universe. For credit investments, GoldenTree's investment process focuses on determining an issuer's enterprise value, identifying investments within the capital structure that it believes offer high-expected total rates of return with high margins of safety, and selecting only those investments that it believes have the most attractive relative value. Each investment must have, in GoldenTree's view, an identifiable catalyst that may help the asset realize its true value in the broader marketplace.

Similarly, when evaluating structured products investments, GoldenTree determines the margin of safety and relative value by analyzing issuer assets and liabilities, using cash flow and market information. GoldenTree's investment team may utilize macroeconomic analysis and issuer structural analysis to identify catalysts for additional upside and total return.

For distressed investments, GoldenTree focuses on situations where it identifies a discount to fundamental value following an assessment of the underlying company's enterprise value. GoldenTree also focuses on investments in debt assets that are trading at a sizeable discount to par and fundamental value, where our investment team has identified a catalyst that may drive the position to trade materially higher.

Proprietary company, industry, sector and country specific research is generated by the firm's investment team and are integral to identifying investments that fit GoldenTree's process. Proprietary systems allow GoldenTree to perform relative value analysis and re-evaluate the existing portfolio along with new opportunities. If we believe the relative value of the potential investment is commensurate with or better than existing investments within our portfolios it will typically be added. Investments in the portfolio are generally sold when they achieve price targets.

GoldenTree has a firm-wide policy on considering environmental, social and governance factors in investment decisions ("ESG Policy"). The ESG policy applies to all investments in corporate and sovereign issuers where ESG issues may be relevant. In evaluating an investment, GoldenTree's investment professionals will aim to:

- I. Identify ESG factors, as applicable, that they believe can have a material and adverse effect on an issuer, its operations and/or its investment performance. The particular factors considered will vary based on the underlying operating business involved.

GoldenTree's industry specialists are able to utilize the Sustainability Accounting and Standards Board ("SASB") materiality framework and data, which facilitates the identification of ESG factors in corporate issuers.

2. To the extent that Portfolio Managers/Research Analysts determine that any such material ESG factors exist, they will convey those factors to the strategy's Lead Portfolio Manager for review/consideration as part of the investment determination.

3. A strategy's Lead Portfolio Manager will thereafter assess any such material ESG risk factors as part of the investment process.

GoldenTree has an ESG Committee that is responsible for maintaining and updating the Firm's ESG policy, reviewing relevant ESG reporting, articulating the Firm's policy to clients and providing relevant feedback. The ESG Committee communicates any updates to GoldenTree's ESG Policy or any other material ESG developments to the investment team such as in connection with the weekly portfolio meetings, or more frequently as needed.

Risk management is an integral part of our approach to portfolio management at GoldenTree. GoldenTree has a Risk Committee, which consists of senior members of our investment team and has four main responsibilities which include:

- i. Establish Macroeconomic View
- ii. Identify Primary Risk Factors
- iii. Determine Risk Tolerance for Portfolio
- iv. Execute Portfolio Hedging Strategy

The goal of GoldenTree's risk management process is to enable GoldenTree to seek attractive returns while controlling portfolio volatility and protecting our investors' capital. GoldenTree's Risk Committee plays an integral role in the firm's risk management implementation. Furthermore, GoldenTree has a team of 25 people supporting the Risk Management Platform and Systems.

Depending on the investment mandate, certain Clients may seek certain investment returns over an applicable benchmark as opposed to other investment mandates in which Clients may seek absolute total returns. In addition, depending on the Client mandate, GoldenTree may seek to implement its investment strategy by investing on a levered or unlevered basis in the securities and instruments purchased for its Clients.

Risk associated with the investment strategies utilized by GoldenTree as well as the actual investments and security types themselves are noted below. Some or all of these risks may be applicable to Clients depending upon their investment mandates and restrictions.

Summary of Certain Risk Factors

All investments made by GoldenTree on behalf of its Clients risk the loss of capital. GoldenTree believes that its investment process and research techniques moderate this risk through a careful selection of securities and other financial instruments. However, there can be no guarantee or representation that GoldenTree's investment program will be successful. Furthermore, depending upon a Client's investment mandate, GoldenTree's investment program may utilize investment techniques such as margin transactions, short sales, leverage and the use of synthetic derivative instruments, such as swaps, options on securities, forward contracts and other derivative instruments. These techniques may increase the risk of financial loss. In addition, the success of GoldenTree's activities may be affected by general economic and market conditions, such as the level of interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, 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 securities prices and the liquidity of the investments. Volatility or illiquidity may impair profitability or result in losses.

The material risks presented by the strategies and investments pursued by GoldenTree are set forth below. With respect to Fund investors, additional information is contained in the offering documents related to each such Fund. This Brochure does not purport to contain a complete disclosure of all risks that may be relevant to a prospective investor in a Fund or separately managed account.

Liquidity of Fixed Income Markets in General

At times, certain sectors of the fixed income market (such as leveraged loans, high yield bonds, and CLO markets) in which GoldenTree invests have experienced significant declines in liquidity. While these events sometimes are attributable to changes in macro and local market events, interest rates or other factors, the cause is not always apparent. During such periods of market illiquidity, GoldenTree likely will be unable to sell assets in a Client's portfolio or likely will only be able to do so at unfavorable prices. Such liquidity risk could adversely impact the value of the Client's portfolio, and could be difficult or impossible to hedge.

Illiquid investments and other assets and liabilities for which market prices are not readily available will generally be carried at values determined by an independent valuation party or agent selected by GoldenTree. These valuations will form the basis for calculating the management fee and performance fee payable to GoldenTree. There is no guarantee that such value will represent the value that will be realized by the Client upon the eventual sale of the investment or that would be realized upon an immediate disposition of the investment. In addition, GoldenTree may not be able to liquidate certain illiquid investments in order to satisfy Client redemption requests. Accordingly, to the extent that Client redemptions are financed through the sale of

the more liquid investments, such redemptions would result in the remaining portfolio being comparatively less liquid. Some of GoldenTree's Funds and individual account mandates, however, contain liquidity terms found in private equity type funds vs. evergreen funds redemption terms often found in hedge funds) in order to mitigate issues in regard to redemptions and illiquid securities held in portfolios. Investment management and performance fees will be charged with respect to investment held in side pockets although in the case of performance fees they are based on realized gains.

Leverage

Depending upon a Client's investment mandate, GoldenTree could utilize leverage within a managed portfolio. The use of leverage can magnify the potential gains and losses from an investment and increases the risk of loss of capital. To the extent that income derived from investments purchased with borrowed funds is greater than the cost of borrowing, net income will be greater than if borrowing had not been used. Conversely, if the income from investments purchased with borrowed funds is not sufficient to cover the cost of borrowing, the net income will be less than if borrowing had not been used, and the amount available for ultimate distribution will be reduced. The extent to which the gains and losses associated with leveraged investing are increased will generally depend on the degree of the leverage employed. Further, maintaining compliance with the various financial tests and covenants imposed by a provider of leverage could require the sale of investments under unfavorable market conditions, thus creating a loss that might not otherwise have occurred. If an event of default under a leverage arrangement occurs and investments are sold, losses could also occur that might otherwise not have occurred.

Borrowings could be from banks and securities brokers and dealers as well as through dedicated financing facilities and in each case will typically be secured by the securities and other assets held in a Client's portfolio. Under certain circumstances, broker-dealers and other lenders could demand an increase in the collateral that secures a Client portfolio's obligations. If the Client were unable to provide additional collateral, the broker-dealer or other lender could liquidate assets held in the Client's portfolio to satisfy the underlying obligations. Liquidation in such a manner could have adverse consequences. In addition, the amount of borrowings and the interest rates on those borrowings, which can fluctuate, could have a significant effect on the Client's performance.

Non-Public Information

From time to time, GoldenTree or its affiliates come into possession of material non-public information with respect to an issuer of securities or other instruments such as loans or investments involving a restructuring, in which one or more Clients have invested, or in which GoldenTree intends to or is researching as a potential investment for its Clients. Possessing such information could limit the ability of GoldenTree to buy or sell such securities or other

instruments on behalf of its Clients. Accordingly, GoldenTree could be prohibited from buying or selling such securities or other instruments on behalf of its Clients at times when GoldenTree might otherwise wish to buy or sell such investments.

Short Selling

Short selling involves the sale of securities in which the seller borrows the securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows a Client to profit from declines in securities prices. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to a Client of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. In addition, certain market participants could accumulate such securities in a “short squeeze”, which would reduce the available supply and increase the cost of such securities. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Finally, certain jurisdictions have instituted restrictions on the short selling of certain types of securities. Because of this, Clients are not always able to enter into a short selling transaction even if GoldenTree otherwise recommends such a transaction for a particular Client.

Counterparty Risk

Various markets in which GoldenTree may execute Client transactions are over-the-counter or interdealer markets. Some of the protections afforded to participants on organized exchanges, such as the performance guarantee of an exchange clearinghouse, are not available in connection with over-the-counter transactions. This exposes Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions, either due to a dispute over the terms of the contract (whether or not bona fide) or due to a credit or liquidity problem or the insolvency of such counterparty, thus causing the Client to suffer a loss. Such counterparty risk is accentuated for contracts with longer maturities or transactions in instruments with an extended settlement cycle or where a Client has concentrated its transactions with a single or small group of counterparties. If there is a default by the counterparty to such a transaction, the Client may have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs that could result in the net asset value of the Client’s portfolio being less than if the Client had not entered into the transaction. Furthermore, if one or more of a Client’s prime broker counterparties were to become insolvent or the subject of insolvency proceedings in the United States (either under the U.S. Securities Investor Protection Act or the United States Bankruptcy Code), there is a risk that the recovery of the Client’s securities and other assets from the prime broker will be delayed or be less than the value of the securities or assets originally placed with the prime broker or broker-dealer.

In addition, Clients from time to time enter into transactions with counterparties located outside the United States. Such local counterparties are subject to the laws and regulations in foreign jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Client's assets could be subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of an offshore counterparty, it is impossible to generalize about the effect of their insolvency on a Client and its assets. It should be assumed that the insolvency of any counterparty could result in a loss to a Client, which could be material.

Finally, collateral in the form of cash or securities that is held by a lender such as a broker-dealer or bank to support leverage and borrowings could, under certain circumstances, be subject to risk of loss if the institution that is holding the collateral becomes insolvent. In these circumstances, unless the collateral has been segregated/safeguarded pursuant to applicable law or contractual arrangements, Clients can become unsecured creditors in relation to any such collateral that they were otherwise owed and had not been returned.

Risks of Litigation

Investing in higher-yielding and distressed securities can be a contentious and adversarial process. Different investor groups often have qualitatively different and frequently conflicting interests. GoldenTree's investment activities may include activities that are hostile in nature and will subject Clients to the risks of becoming involved in litigation with third parties. This risk could be greater where GoldenTree exercises control or significant influence over a company's direction. The expense of defending claims against Clients by third parties and paying any amounts pursuant to settlements or judgments are generally borne by Clients and would reduce net assets. Clients often indemnify GoldenTree in connection with such litigation depending on client documentation and the facts and circumstances involved.

Risks Associated with Bankruptcy Cases

Certain distressed and higher-yielding investments owned by Clients could be the subject of bankruptcy and reorganizations. Many of the events within a bankruptcy case are adversarial and often beyond the control of creditors. While creditors generally are afforded an opportunity to object to significant actions, a bankruptcy court could approve actions that are contrary to the interests of the Clients (or that is contrary to one set of Clients that hold one particular type/class of security of an issuer versus a different set of Clients that hold a different type/class of securities of that same issuer). Furthermore, there are instances in which creditors and equity holders could lose their ranking and priority such as when they assume management and functional operating control of a debtor.

Generally, the duration of a bankruptcy case can only be roughly estimated. Unless the Client's claim in such case is secured by assets having a value in excess of such claim, no interest will be permitted to accrue and, therefore, the Client's return on investment can be adversely affected by the passage of time during which the plan of reorganization of the debtor is being negotiated, approved by the creditors, and confirmed by the bankruptcy court. The risk of delay could be particularly acute when a creditor holds unsecured debt or when the collateral value underlying secured debt does not equal the amount of the secured claim. Often, unless the debtor is proved to be solvent, no interest or fees are permitted to accrue after the commencement of the debtor's case, as a matter of U.S. bankruptcy law. It should also be noted that reorganizations outside of bankruptcy are also subject to unpredictable and potentially lengthy delays.

GoldenTree, on behalf of Clients, does and in the future could elect to serve on creditors' committees or other groups to ensure preservation or enhancement of Clients' position as a creditor. A member of any such committee or group generally owes certain obligations to all similarly situated parties that the committee represents. If GoldenTree concludes that its obligations owed to the other parties as a committee or group member could conflict with its duties owed the Client, GoldenTree could seek to resign from that committee or group or take other appropriate steps to adequately address the conflict, and the Client may not realize the benefits, if any, of participation on the committee or group. In addition, as discussed above, if the Client is represented on a committee or group, it could be restricted or prohibited under applicable law from disposing of its investments in such company while it continues to be represented on such committee or group.

Non-U.S. Investments

Clients make investments in the debt and equity instruments of companies domiciled outside of the United States, including emerging market countries. Investing in the securities and instruments of non-U.S. issuers involves certain considerations usually not associated with investing in U.S. companies, including:

- Political and economic considerations, such as the risk of expropriation and nationalization;
- the potential difficulty of repatriating funds and general social, political, and economic instability;
- the 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;
- 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 apply in non-U.S. countries may not be equivalent to U.S. standards. Consequently, less information could be available to investors in issuers located in non-U.S. countries relative to issuers located in the United States. Regulation of the securities markets in non-U.S. countries could also have a potential adverse effect on investments.

With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of a Client, political or social instability or diplomatic developments that could affect investments in those countries. An issuer may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, often change independently of each other.

Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or markets. Countries in the emerging markets could have their own history of default on external debt when their economies experience a downturn. These risks of sovereign default could adversely affect the value of a Client's portfolio even in circumstances when the investment has not performed poorly. Further, emerging markets are generally heavily dependent upon international trade or the health of particular economies and, accordingly, have been and could continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain emerging markets may be based predominantly on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation. In particular, certain commodities may occupy a prominent position in the economies of emerging markets and such economies are therefore sensitive to fluctuations in commodity prices. In addition, accounting, auditing and financial reporting standards, practices and disclosure requirements that prevail in emerging markets generally are not as high as standards in developed countries. Specifically, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from accounting standards in more developed countries and there is an increased risk of fraud or other deceptive practices. Moreover, in certain instances, less information is typically available concerning companies located in emerging markets. Accordingly, the ability to conduct effective due diligence in connection with emerging market investments and to monitor such investments may be adversely affected by these factors.

Currency Hedging

GoldenTree invests a portion of its Clients' assets in the securities of non-U.S. issuers and other instruments denominated in non-U.S. currencies, the prices of which are determined in reference

to currencies other than the U.S. dollar. To the extent that a Client values its portfolio investments in U.S. dollars, GoldenTree could seek (or will be instructed by the Client to seek) on such Client's behalf to hedge non-U.S. currency exposure, but it is not always practicable to do so. Ultimately, unless otherwise instructed by a particular Client, the decision to hedge and to what degree will be made in GoldenTree's discretion. To the extent investments are not currency hedged, the value of a Client's positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. dollar compared to the other currencies in which a Client makes its investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of such Client's securities in their local markets, which could result in a loss to such Client. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on such Client's non-U.S. dollar investments.

Other Hedging Transactions

Subject to compliance with Client mandates and investment restrictions, GoldenTree utilizes a variety of financial instruments such as individual and baskets of securities, commodities, derivatives, options, swaps, caps and floors and forward contracts, for risk management purposes in order to (i) protect against possible changes in the market value of a Client's investment portfolio resulting from fluctuations in the securities markets or changes in interest rates; (ii) protect a Client's unrealized gains in the value of such Client's investment portfolio; (iii) facilitate the sale of such investments; (iv) establish a position as a temporary substitute for other securities; (v) enhance or preserve returns, spreads or gains on any investment in a Client's portfolio; (vi) hedge the interest rate or currency exchange rate (as noted prior) on any of the Client's liabilities or assets; (vii) protect against any increase in the price of any securities GoldenTree anticipates purchasing at a later date; or (viii) for any other reason that GoldenTree deems appropriate.

GoldenTree, however, may not anticipate a particular risk so as to hedge against it. While GoldenTree could enter into hedging transactions in order to reduce risk, such transactions could result in a poorer overall performance for the Client than if it had not engaged in any such hedging transaction. For a variety of reasons, such as the costs involved, GoldenTree may not seek to establish what it believes to be a perfect correlation between hedging instruments and the portfolio holdings being hedged. Such imperfect correlation could prevent the Client from achieving the intended hedge or expose the Client to risk of loss. The success of the hedging strategy of a Client is subject to GoldenTree's ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Client's hedging strategy is also subject to GoldenTree's ability to recalculate continually, readjust and execute hedges in an efficient and

timely manner. Further, GoldenTree weighs the costs involved in hedging against the potential benefits when determining if a particular hedging strategy is appropriate. Moreover, depending upon the facts and circumstances of a particular transaction, a portfolio could be exposed to certain risks that cannot be hedged.

Ultimately, unless instructed by a particular Client, GoldenTree is not required to hedge positions and the decision to hedge and in what degree will be made in GoldenTree's discretion.

Availability of Suitable Investments

There can be no assurance that attractive investments will be available for the Client's investment activities, or that available investments will meet the Client's investment criteria. The Clients will compete with other potential investors to acquire interests in their respective targeted investments. Whether or not suitable investment opportunities are available to the Clients, the Clients will bear fees and expenses, subject to and as defined in such Client's governing documents.

Material, Significant, or Unusual Risks Relating to Types of Investments

Fixed Income Investments

GoldenTree could cause a Client to invest in fixed income related investments of U.S. and non-U.S. issuers, including, without limitation, bank debt, bonds, and notes as well as derivatives thereon. Fixed income securities generally pay fixed, variable or floating rates of interest. The value of fixed income securities will often change in response to fluctuations in interest rates. In addition, the value of certain fixed income debt and loan securities can fluctuate in response to perceptions of creditworthiness, foreign exchange rates, political stability or soundness of economic policies. Fixed income debt and loan securities, particularly in the case of higher-yielding debt instruments in which GoldenTree invests, are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity and general market liquidity (i.e., market risk). Further, in seeking to capture certain price appreciation opportunities, GoldenTree could purchase certain debt instruments for a Client that are non-performing and possibly in default where the obligor or relevant guarantor could be in bankruptcy or liquidation. Accordingly, there can be no assurance as to the amount and timing of payments, if any, with respect to these debt investments or that any such investments will be profitable.

Below Investment-Grade Investments

In connection with a Client's mandate, GoldenTree could invest in below investment grade securities and instruments. These investments (both bonds and bank debt) generally are not exchange-traded and, as a result, could trade in a smaller secondary market than exchange-traded

securities. In addition, GoldenTree could cause a Client to invest in bonds and bank debt of issuers that do not have publicly traded securities, which can make it more difficult to hedge the risks associated with such investments. High-yield investments that are rated below investment grade or are unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates. These types of securities also tend to be more sensitive to economic conditions than are higher-rated securities. As a result, the market prices of such securities could be subject to abrupt and erratic market movements and changes in liquidity and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than those prevailing in other securities markets. Companies that issue such securities could be highly leveraged and may not have access to more traditional methods of financing. The potentially concentrated nature of a Client's investment program in these types of investments could magnify the effects of such risks.

Distressed Securities

In connection with a Client's mandate, GoldenTree could invest in below investment grade securities and obligations of domestic and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including issuers involved in bankruptcy or other reorganization and liquidation proceedings. While these securities entail increased risks they also could offer the potential for correspondingly high returns. However, these securities are not always publicly traded and it could be difficult to obtain information as to the true condition of such issuers. In certain periods there could be little or no liquidity in markets for these securities. Restructurings or reorganizations could fail to be completed or be substantially delayed and expected returns on their securities may never materialize. In addition, a significant period of time may pass between the time at which the Client makes its investment in distressed securities and the time that any such reorganization is completed. During this period, it may be unlikely that the Client will receive any dividend, interest or other disbursements on the distressed securities. The Client could also be subject to significant uncertainty as to such successful completion and could be required to bear certain expenses to protect its interest in the course of negotiations surrounding any potential reorganization. Furthermore, nonperforming assets by their nature could prove uncollectible or not yield appreciable returns for considerable periods of time. Such issuers' securities could be considered speculative, and their ability to pay their debts (including interest and principal of Client investments held) on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such issuers. The level of financial, legal, and analytical sophistication necessary for successful

investment in issuers experiencing significant business and financial difficulties is high. Information necessary to properly evaluate a distress situation may be difficult to obtain or be unavailable and the risks involved may not necessarily be identifiable or susceptible to considered analysis at the time of investment. There can be no assurance that GoldenTree will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or rehabilitation of a distressed asset or adequate realization upon such assets and claims. In any reorganization or liquidation proceeding relating to a distressed issuer in which GoldenTree invests, a Client could lose its entire investment, could be required to accept cash or securities with a value less than its original investment, and/or could be required to accept payment over an extended period of time. In such cases, the returns generated from investments may not compensate the Clients adequately for the risks assumed. In addition, involvement by GoldenTree in an issuer's reorganization proceedings could result in the imposition of restrictions limiting a Client's ability to liquidate its position in the issuer due to the receipt of material, nonpublic information or the imposition of trading restrictions on those parties that are more involved in the proceedings.

Loans

A Client's investment strategy could include investments in loans and loan participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; and (iii) limitations on the ability of the Clients to directly enforce their rights with respect to participations. In analyzing each loan or participation, GoldenTree compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks will be borne by the Clients.

As secondary market trading volumes in loans have grown from its inception, new loans have adopted standardized documentation to facilitate trading, which could further improve market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide an adequate degree of liquidity or that the current level of liquidity will continue, particularly as new regulations are enacted that effect the dealings and conduct of banks that often provide such liquidity. Because holders of such loans can be provided with confidential information relating to the borrower, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans may not be as easily purchased or sold as publicly traded securities, and historically the trading volume in the loan market has been smaller relative to certain other markets. Furthermore, to the extent that a Client does not hold a loan investment directly such as when the Client instead holds through a participation arrangement with a particular counterparty, if the counterparty becomes insolvent the Client could incur a loss in regard to the underlying loan that is being held on the books and records of the

counterparty itself. In these cases, the Client would become an unsecured creditor to the counterparty.

Collateralized Loan Obligations

GoldenTree could cause a Client to invest in cash and synthetic CLO debt and equity securities (“CLO Securities”) through purchases primarily in the secondary market. These CLO Securities are collateralized principally by secured assets. CLO Securities are subject to various risks including the following: (a) leverage risk; (b) risk of investment focus (the value of CLO Securities owned by a Client generally will fluctuate with, among other things, the financial condition of the obligors/issuers of the underlying portfolio of assets of the related CLO, market conditions, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates); (c) lower credit quality securities (CLO securities in which a Client could invest may be deemed by rating agencies to have vulnerability to default in payment of interest and/or principal); (d) price volatility and illiquidity of the CLO markets during times of market stress; (e) subordination of CLO securities depending on the tranche invested; and (f) the early redemption of certain CLO Securities which can effect originally contemplated investment returns/results.

Asset-Backed Securities

Asset-backed securities generally refer to securities backed by assets other than mortgages, mortgage-backed securities, or other mortgage-related assets. Credit card receivables, automobile, private credit student loans, commercial and industrial loans, home equity loans and lines of credit, manufactured housing loans, corporate debt securities, student loans and various types of accounts receivable that commonly support asset-backed securities, whether performing or non-performing at the time of investment. There can be no assurance that innovation in the relevant markets will not transform asset-backed securities by adding new classes of assets, new structures, or other features not now familiar in the asset-backed markets.

Asset-backed securities present certain risks that are not presented by mortgage-backed securities. Primarily, these securities do not have the benefit of the same security interest in the related collateral. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of a number of state and federal consumer loan laws, many of which give debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Most issuers of automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related automobile receivables. ABS backed by private credit student loan receivables will be affected by payments, defaults and losses on the underlying student loans and, in the case of private loan receivables guaranteed in whole or in part by a private guarantor, by the ability of the related

guarantor to honor claims and the extent of the guarantee. Student loans receivables can be highly susceptible to prepayment risk and extension risk due to actions taken by individual borrowers and other variables beyond the issuer's control. For example, student loans could be extended as a result of grace periods, deferment periods and, under some circumstances, forbearance periods, which may lengthen the remaining term of the student loans and delay principal payments. Student loans are generally subject to various federal and state laws, public policies and principles of equity that protect consumers, which among other things may regulate interest rates and other charges, require certain disclosures, require licensing of originators, prohibit discriminatory lending practices, regulate the use of consumer credit information and regulate debt collection practices. Any violation of these laws, public policies and principles could result in cash flow delays and losses on the related ABS. In addition, numerous U.S. federal and state statutory provisions could also adversely affect the ability of a servicer of the student loans underlying ABS backed by student loan receivables to collect the principal of or interest on the loans. In turn, the holders of the affected ABS could suffer a loss if the applicable laws result in these loans becoming uncollectible. ABS secured by payments on private credit student loans are not guaranteed or reinsured under any U.S. federal student loan program and are subject to both prepayment and extension risks.

The frequency at which prepayments occur on loans underlying mortgage-backed securities and asset-backed securities, including voluntary prepayments by the obligors and liquidations due to defaults and foreclosures, will be affected by a variety of factors including the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. Although asset-backed securities are generally less likely to experience substantial prepayments relative to mortgage-backed securities, certain of the factors that affect the rate of prepayments on mortgage-backed securities also affect the rate of prepayments on asset-backed securities.

Residential Mortgage-Backed Securities

Depending on the investment mandate, a Client's portfolio may include residential mortgage-backed securities ("RMBS"). Holders of RMBS bear various risks, including credit, market, interest rate, structural, and legal risks. RMBS represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by government agencies and the securities issued guaranteed. General economic conditions and those in the geographic area where the mortgaged property is located, the terms of the mortgage loan, the borrower's equity in the mortgaged property, and the financial circumstances of the borrower will all affect the rate of defaults and losses on residential mortgage loans. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process and may involve significant expenses.

Furthermore, the market for defaulted residential mortgage loans or foreclosed properties is at times very limited.

Commercial Mortgage-Backed Securities

Depending on the investment mandate, a Client's portfolio could include commercial mortgage-backed securities ("CMBS"), which are securities backed by obligations (including certificates of participation in obligations) that are principally secured by interests in real property having a multifamily or commercial use, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, nursing homes and senior living centers. CMBS have been issued in public and private transactions by a variety of public and private issuers using a variety of structures, including senior and subordinated classes. Commercial mortgage loans generally lack standardized terms, tend to have shorter maturities than residential mortgage loans, and could provide for the repayment of all or substantially all of the principal only at maturity. All of these factors increase the risk involved with commercial real estate lending. Commercial properties tend to be unique and are more difficult to value than single-family residential properties.

Equities

Depending on the investment mandate, GoldenTree may invest in public and private equity and equity derivative securities on behalf of Clients. The value of these securities generally will vary with the performance of the issuer and, particularly in the case of public equities, movements in the equity markets generally and for specific sectors. As a result, a Client could suffer losses if it invests in equity securities of issuers whose performance falls below market expectations or if equity markets generally or specific sectors decline and GoldenTree has not hedged the Client's investment against such a decline. With respect to GoldenTree's privately placed equity investments, such investments could be illiquid or may be subject to lock ups or other resale restrictions that prevent GoldenTree from otherwise selling.

Real Estate

Real estate investments (both debt and equity) generally will be subject to the risks related to the ownership and operation of commercial real estate and/or risks involved with making nonrecourse mortgage loans secured by real estate, including (i) risks associated with both the domestic and international general economic climate; (ii) local real estate conditions; (iii) risks due to dependence on cash flow; (iv) risks and operating problems arising out of the absence of certain construction materials; (v) changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); (vi) the financial condition of tenants, buyers and sellers of properties; (vii) changes in availability of debt financing; (viii) energy and supply shortages; (ix) changes in the tax, real estate, environmental and zoning laws and regulations; (x)

various uninsured or uninsurable risks; (xi) natural disasters; and (xii) the ability of Clients or third-party borrowers to manage the real properties. With respect to investments in the form of real property, the Client may incur the burdens of ownership of real property, which include paying of expenses and taxes, maintaining such property and any improvements thereon, and ultimately disposing of such property. With respect to investments in equity or debt real estate securities, a Client may in large part be dependent on the ability of third parties to successfully operate the underlying real estate assets. There can be no assurance that there will be a ready market for resale of investments because investments in real estate generally are not liquid.

Item 9 Disciplinary Information

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

Item 10 Other Financial Industry Activities and Affiliations

Broker-Dealer Registration Status

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

Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor Registration Status

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

Related Investment Advisers

GoldenTree has affiliated subsidiary managers that provide various services for certain Clients. Furthermore, affiliates of GoldenTree act as the general partner for certain Funds.

GoldenTree has also entered into an agreement with GoldenTree Asset Management UK LLP ("GTAM UK") in which GTAM UK provides certain sub-advisory services. GTAM UK is a limited liability partnership created under the laws of the United Kingdom that is owned directly and indirectly by GoldenTree and certain of its Principals. The Financial Conduct Authority of the United Kingdom regulates GTAM UK's investment advisory activities. GTAM UK is located in London, England, and provides certain of GoldenTree's Clients with general investment research services and recommendations, particularly with respect to European securities and markets.

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GTAM UK is also authorized to execute trades for certain of GoldenTree's Clients pursuant to the sub-advisory agreement and to select the appropriate broker for such execution.

As compensation for these services, GoldenTree pays GTAM UK fees and reimburses reasonable costs that GTAM UK incurs in rendering such services. The sub-advisory agreement may be terminated by either party upon the terms of the agreement.

GoldenTree has an Irish affiliate, GTAM Irish Co. Ltd, that pursuant to a services agreement with both GoldenTree and GTAM UK provides certain non-discretionary investment advisory services, trading services and client services to its affiliated management companies (but not to underlying clients). GoldenTree and GTAM UK pay GTAM Irish Co. Ltd a fee that GoldenTree believes is reasonable in relation to the services provided.

GoldenTree also has an affiliate located in Singapore called GoldenTree Asset Management Singapore Pte, which is licensed by the Monetary Authority of Singapore with a capital markets services license to conduct certain regulated activities. Currently, the office primarily conducts marketing related activities on behalf of GoldenTree in Asia.

In addition, GoldenTree maintains a minority interest in a joint venture arrangement (the "Joint Venture") with InSite Partners LLC ("InSite") to invest from time to time in various real estate opportunities. InSite recommends real estate related investments to one or more of GoldenTree's Clients (and thereafter manages such investments). These real estate related investments are subject to the prior approval and supervision of GoldenTree's Chief Investment Officer. In addition, the Joint Venture has established certain private investment funds (the "Sponsored Funds") that are dedicated to investing in real estate opportunities. As GoldenTree is a passive/minority investor in the Joint Venture it has no day-to-day management responsibilities over the Joint Venture itself and the Sponsored Funds are not managed by GoldenTree but rather are managed solely by InSite and/or one of its affiliated entities. GoldenTree currently pays certain of the Joint Venture's expenses and shares with InSite a portion of the fees earned by GoldenTree from the real estate investments that are made for GoldenTree's Clients. GoldenTree also shares in the management and performance fees generated from the Sponsored Funds.

Please refer to Item 5 for a description of GoldenTree's interest in an entity ("Clarity") retained to provide various services for certain of its Clients. In addition, one of the limited partners of GoldenTree has licensed risk management technology to GoldenTree for use on behalf of Clients. The licensing fee is charged to certain Clients in connection with the management of their portfolios.

As stated in Item 5, GLM is an affiliated SEC registered investment adviser that manages and is designed to invest primarily in CLOs that in turn invest primarily in senior secured loans. GLM

has various partners which are comprised of third-party investors that are limited partners of GLM as well as the General Partner of GLM. GoldenTree Loan Management GP, LLC (“GT GP LLC”), a limited liability company organized under the laws of Delaware, serves as the General Partner of GLM. Mr. Tananbaum is the Senior Managing Member of GT GP LLC. As such, Mr. Tananbaum has voting control over GLM. The current members of the General Partner are all partners of GoldenTree. Certain current GoldenTree partners and employees involved with loan and CLO management are employees of GLM, while also remaining as partners and/or employees of GoldenTree (thus serving as dual-employees). Certain other employees who, prior to the creation of GLM, focused on loan and CLO management at GoldenTree are solely full-time employees of GLM (their employment transferred from GoldenTree to GLM). Other employees who focused on CLO structuring and compliance at GoldenTree are also employed by GLM either full-time or jointly with GoldenTree. GLM has entered into a services agreement (the “GTAM Services Agreement”) with GoldenTree through which, for a fee, GLM is able to utilize GoldenTree’s sector research, capital markets, structured products, trading and client services expertise as well as GoldenTree’s administrative, operational and legal/compliance related services. In addition, GLM has entered into an advisory agreement with GoldenTree (the “Advisory Services Agreement”) whereby GLM provides investment advice, on a non-discretionary basis, to GoldenTree in regard to CLOs managed by GoldenTree and/or with respect to certain individual investments held in one or more GoldenTree managed Clients. In return for providing these services, GLM receives a fee paid by GoldenTree. This fee is used to pay certain GLM expenses, including amounts charged under the GTAM Services Agreement.

GoldenTree has a conflict of interest in deciding how much time its personnel spend on GoldenTree related matters as opposed to on GLM. Both the GTAM Services Agreement and the Advisory Services Agreement were agreed upon in an arms-length negotiation but GLM and GoldenTree may be viewed as conflicted in setting these rates. GoldenTree mitigates these potential conflicts through working with outside counsel in establishing such arrangements and active dialogues with the investment team, procedures and manuals, compliance training, oversight by the Chief Compliance Officer and disclosure in this Brochure and in offering documents.

GoldenTree Loan Management II, LP is a Cayman Islands exempted limited partnership formed to manage vehicles investing primarily in senior secured debt obligations, most or all of which will be in the form of CLOs, and to perform related functions. GLM II has various partners which are comprised of third-party investors that are limited partners of GLM II as well as the General Partner of GLM II. GoldenTree Loan Management II GP, LLC (“GT GP II LLC”), a limited liability company organized under the laws of Delaware, serves as the General Partner of GLM II. Mr. Tananbaum is the Senior Managing Member of GT GP II LLC. As such, Mr. Tananbaum has voting control over GLM II. The current members of the General Partner are all partners of GoldenTree. Similar to GLM, GLM II has entered into a services agreement with GoldenTree

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through which, for a fee, GLM II is able to utilize GoldenTree's sector research, capital markets, structured products, trading and client services expertise as well as GoldenTree's administrative, operational and legal/compliance related services. Unlike GLM, GLM II does not have employees.

Finally, as noted prior, GoldenTree also has an affiliate registered investment adviser, GoldenTree Asset Management Credit Adviser LLC, that serves as a sub-adviser to registered investment companies. There are no employees of GoldenTree Asset Management Credit Advisor LLC.

Material Conflicts of Interest Relating to Other Investment Advisors

GoldenTree and its affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with GoldenTree and/or may involve substantial time and resources of certain partners, officers or employees of GoldenTree. These activities could create a conflict of interest in that the time and effort of the personnel of GoldenTree will not be devoted exclusively to the business of GoldenTree or a particular Client, but will be allocated between the business of GoldenTree and the management of the monies of other advisees of GoldenTree and/or its affiliates.

GoldenTree or an affiliate have and in the future could purchase on behalf of itself, or its managed Clients, CLO notes or equity of a CLO in which GLM or GLM II has invested in the CLO equity or debt, in which case GLM or GLM II could exercise its rights as an investor which could have an adverse effect on GoldenTree's investment in the same CLO. In addition, GoldenTree and its affiliates could provide advice to Clients, which could follow investment programs substantially similar or different to that of GLM or GLM II and its Clients. Such investments can create a conflict of interest, particularly because GoldenTree or its affiliates (such as GLM and GLM II) could take certain actions for some Clients with respect to one class of debt or equity that could be adverse to other Clients who hold other classes of debt or equity of the same CLO or issuer (see below for further information).

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

GoldenTree believes that high ethical standards are essential for the success of GoldenTree and to maintain the confidence of its Clients. As such, GoldenTree has adopted a Code of Ethics ("the Code") that places restrictions on personal securities trading and other conduct by employees, principals, affiliates and related persons (together "employees"). Among other things, the Code generally prohibits employees from purchasing or selling any security held by Clients at any time that GoldenTree is trading in the subject security on behalf of such Clients. The Code also requires employees to obtain prior approval from GoldenTree's Chief Compliance Officer or

designee and consult with portfolio management and trading personnel, before placing a personal securities transaction in those security types subject to pre-clearance, for example, common stock. Further, the Code requires employees to hold securities subject to GoldenTree's pre-approval procedures for a certain prescribed period of time. GoldenTree requires that its employees arrange for duplicate trade confirmations and account statements to be provided to GoldenTree with respect to their personal securities transactions.

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

GoldenTree will provide a copy of the Code to any existing or prospective Client upon request.

In certain limited circumstances, GoldenTree's Chief Compliance Officer or designee will grant exceptions to the policies and procedures contained in the Code when he/she believes, based on the particular facts and circumstances, that doing so would not harm GoldenTree's Clients or otherwise interfere with its fiduciary duties.

Gifts and Business Entertainment

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

Political Contributions and Charitable Organizations

GoldenTree and its employees have and in the future could make political contributions to persons who serve or seek to serve in elected capacities with certain public entities. These political contributions are permitted only with prior approval from the Chief Compliance Officer or his designee.

GoldenTree and/or its employees may donate to charitable organizations that are supported by Clients and/or are supported by an individual employed by one of GoldenTree's Clients. In the case of donations being made by GoldenTree, such contributions are generally approved by senior management.

Interest in Client Investments

GoldenTree can purchase or sell for certain of its Clients securities that are issued by other GoldenTree Clients, such as equity and debt securities issued by CLOs for which GoldenTree acts as collateral manager or where GoldenTree is an investor and/or otherwise holds an interest in the issuer. These situations generally could create a conflict of interest, as GoldenTree may be viewed as entering into a particular investment transaction on behalf of its Clients due to a financial interest in the underlying security by GoldenTree and its employees. In this regard, GoldenTree has adopted policies and procedures intended to prevent and mitigate such potential conflicts of interest. This includes, but is not limited to, the review of Client transactions by GoldenTree's Compliance Department.

GoldenTree can also recommend to Clients the purchase or sale of securities in which GoldenTree and or its employees also invest or otherwise have a financial interest. Such purchases can involve the same securities owned by Clients (or Clients could purchase different tranches of securities issued by the same issuer). Moreover, such issuers could provide services to GoldenTree and/or its Clients in what GoldenTree believes to be at arms-length terms. To this end, employees whose primary responsibilities are portfolio management, subject to GoldenTree's Code of Ethics, can engage in personal securities transactions in which the underlying issuer is within his or her sector of coverage. This may present the appearance of a conflict, namely that GoldenTree is trading in a particular investment on behalf of Clients because of a financial interest in the underlying security by GoldenTree, or that employees who trade in issuers within their coverage sector are taking for themselves investment opportunities that may be suitable for one or more of GoldenTree's Clients. Furthermore, this may also present a conflict of interest in that GoldenTree and its employees may purchase a particular investment where a Client purchases the same investment but at a different point in time (as the investment is not seen to be initially suitable for Clients) and at a different price. In this regard, GoldenTree has adopted policies and procedures intended to prevent and mitigate such conflicts of interest. This includes, but is not limited to, the review of Client transactions by GoldenTree's Compliance Department, a requirement for GoldenTree's employees to obtain pre-approval for certain personal securities transactions, blackout periods that apply to employee trading in certain securities and issuers that are also held in Client accounts, and minimum holding periods that apply to securities that are purchased by employees.

GoldenTree can engage in securities transactions and investment strategies for one Client that differ from the transactions and strategies executed on behalf of another Client and/or

GoldenTree and its employees. Therefore, GoldenTree can invest in certain securities or loan instruments of a particular issuer for one Client, but invest in a different part of the same issuer's capital structure for another Client. To this end, GoldenTree has and could continue to purchase on behalf of Clients different classes of debt of the same issuer and debt and equity of the same issuer for different Clients. These and other investments can be deemed to create conflicts of interest, particularly because GoldenTree can take certain actions for some Clients that can have an adverse effect on other Clients (for example, in connection with restructuring and reorganization situations). In such cases, GoldenTree will seek to act in a manner it reasonably believes to be equitable to all Clients under the circumstances. Further, if GoldenTree becomes a member of creditors' committee due to its loan holdings in a particular issuer, it could be restricted from trading on behalf of other Clients who hold securities of the same issuer. Clients (and investors in Funds) should be aware that conflicts will not necessarily be resolved in favor of their interests, and GoldenTree will attempt to resolve such matters fairly, but even fair resolution can be resolved in favor of some Clients versus others. In this regard, the Compliance Department reviews Client trading activities and will seek advice from counsel when appropriate with the intent to prevent and mitigate such conflicts of interest.

Other Conflicts

GoldenTree personnel have and in the future could invest in units of real property that are owned by Clients as part of their real estate investments. GoldenTree's personnel is permitted under certain circumstances to invest along-side in real estate co-investment opportunities afforded to Clients. Moreover, GoldenTree personnel could also invest in other co-investment opportunities involving different asset classes, such as equity and debt; provided that all relevant Clients have first received what GoldenTree believes to be an appropriate allocation. GoldenTree seeks to address these conflicts in part through its allocation process and with disclosure in this Brochure and in offering documents. When allocating investments among Clients and, in particular, when determining whether to allocate to a Client, to include a particular Client in an aggregated order involving multiple Clients, and/or the Client's percentage participation in a Bunched Order (defined below), GoldenTree will consider a number of factors (collectively, "Allocation Factors"), as described further in Item 12.

In certain limited cases, a placement agent to GoldenTree may be used and in such circumstances there can be certain conflicts of interest that arise. Placement agents that solicit investors on behalf of GoldenTree and its Clients are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. Further, placement agents to GoldenTree and its affiliates have provided, and may in the future provide, investment banking, commercial banking and other services to the issuers of GoldenTree's investments and to other persons whose activities could affect GoldenTree's investments. Certain of the placement agents used by GoldenTree could also be investors in Funds managed by GoldenTree.

Item 12 Brokerage Practices

Execution Quality

In placing purchase and sale orders of securities for Clients, GoldenTree's policy is to seek "best execution", which the SEC generally describes as a duty to execute securities transactions so that a Client's total costs or proceeds in each transaction are the most favorable under the circumstances. In selecting brokers to effect portfolio transactions, GoldenTree may not always pay the lowest possible commission or markup or markdown, but may take into account a number of factors when determining best execution, including the broker's efficiency in executing and clearing transactions, block trading capability, the broker's financial strength and experience in the industry, liquidity, reliability, responsiveness, reputation, execution, clearance, settlement and creditworthiness, willingness to commit capital, access to a particular trading market, access and/or availability to the primary market, availability of securities to borrow or short sales, and the value of research it provides. Primary market makers are used for transactions in the over the counter market except in those instances where GoldenTree believes more favorable execution or price is obtainable elsewhere.

Soft Dollar Arrangements

Where GoldenTree has discretion in the selection of broker-dealers and subject to applicable law, GoldenTree could pay more than the lowest available commission to a broker-dealer that furnishes GoldenTree with brokerage and research services (as defined in Section 28(e) of the U.S. Securities and Exchange Act of 1934). Such research services include, but are not limited to, (i) research reports on companies, industries, and securities; (ii) economic and financial data; (iii) financial publications; (iv) proxy analysis; (v) trade industry seminars; (vi) computer data bases; (vii) quotation equipment and services; and (viii) research-oriented computer hardware, software and other services. These arrangements are known as soft dollar arrangements.

Research services obtained through the use of soft dollars could be used in servicing any or all of GoldenTree's Clients and could be used in connection with Client accounts other than those that pay commissions or commission equivalents to the broker-dealer providing the research and other services. In order to ensure the continued receipt of services GoldenTree believes is useful in its investment decision-making process, GoldenTree may seek to direct sufficient commissions and commission equivalents to broker-dealers who provide it with research services. To the extent GoldenTree receives research services with soft dollars, it receives a benefit because it does not have to produce or pay for such services. Any management fees and performance fee compensation paid to GoldenTree are not reduced as a result of the receipt of brokerage or research services paid for with soft dollars. While GoldenTree does not currently have any

direct third-party soft dollar arrangements, it does currently utilize commission sharing arrangements with certain institutional brokerage firms in which a portion of the commissions on trades executed by GoldenTree on behalf of its Clients are accumulated in an account that GoldenTree then uses to compensate generally smaller research oriented brokerage firms for the research services they provide. This creates a conflict of interest for GoldenTree in that GoldenTree is permitted to utilize Client funds to obtain research that it would otherwise have to produce or pay for from its own funds.

Both soft dollar and commission sharing arrangements create a potential incentive to recommend or utilize a particular broker-dealer for execution based on GoldenTree's interest in receiving research products and services rather than on its Client's interests in receiving the most favorable execution and/or lowest available commission.

Trading

Broker-dealers utilized by GoldenTree or affiliates of such broker-dealers, as well as registered representatives of such broker-dealers, could be investors in the Funds. Certain of these broker-dealers that invest in GoldenTree's Funds could invest under different terms with respect to their investment. This creates a conflict of interest for GoldenTree when selecting brokers and dealers to execute securities transactions. In order to mitigate this conflict, GoldenTree periodically evaluates its Approved Brokers list based on a range of best execution considerations irrespective of these arrangements. These factors include the overall quality of brokerage services, execution capability, willingness to commit capital, creditworthiness and financial stability, clearance and settlement capability, and the provision of research and other services. Brokers are added to the list after review by senior personnel of GoldenTree. Further, GoldenTree maintains a Trade Management Oversight Committee comprised of senior personnel that reviews the brokers on the Approved Brokers list as potential creditworthiness or other pertinent issues are brought to its attention. In selecting broker-dealers for execution, GoldenTree does not engage in the practice of directing order flow to broker-dealers in exchange for client referrals from such broker-dealers.

Cross and Principal Transactions

In lieu of executing a purchase or sale transaction in the open market via a broker-dealer, GoldenTree could engage in a cross transaction between Client accounts (including Clients managed by its affiliates) in which one Client purchases securities held by another Client with such cross transactions executed directly or through unaffiliated broker-dealers. GoldenTree could effect a cross transaction under certain circumstances including, for example, if, as a result of divergent liquidity or strategic objectives, GoldenTree determines to reduce one Client's exposure to a particular investment and increase another Client's exposure to that investment. GoldenTree could also, in limited circumstances, engage in a principal transaction whereby

GoldenTree, or an affiliate, will purchase or sell securities from or to a Client account where such transaction is otherwise not considered suitable for a Client account. GoldenTree could effect a principal transaction in circumstances involving, for example, a Client that is fully liquidating its separately managed account and holds certain illiquid investments for which there is no readily available market.

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

An independent director or advisor of a Fund and/or a designated person appointed by a separately managed account will generally approve principal trades prior to settlement (in addition to other approvals required under GoldenTree's compliance policies). With respect to cross trades (not involving a principal trade), the independent director or advisor of a Fund will receive notification of the trade, and may be asked to approve certain trades depending on the facts and circumstances involved. Similarly, certain separately managed account Clients only require notification following execution of a cross transaction (not involving a principal trade), while other separately managed account Clients require that they approve the transaction. GoldenTree's principals and employees can have an interest in the Funds that are engaging in cross transactions. The Chief Compliance Officer as well as a member of GoldenTree's Trading and Portfolio Management departments must review and approve each cross and principal transaction internally prior to settlement.

Allocation of Investment Opportunities

Consistent with its obligation to seek best execution, GoldenTree may aggregate purchase and sale orders of securities, commodities, and other financial instruments held by a Client with similar orders being made simultaneously for other Clients (a “Bunched Order”), including Clients managed by other GoldenTree affiliates but executed through GoldenTree’s Trading Desk, if, in GoldenTree’s reasonable judgment, such aggregation would result in an overall economic benefit to all participating Clients based on relatively better purchase or sale prices, lower commission expenses, beneficial timing of transactions, or a combination of these and other factors.

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

Where securities acquired in a Bunched Order are acquired at different prices or different costs (as prevailing trading activity frequently may make it impossible to receive same price or execution on the entire volume of securities purchased or sold) GoldenTree will average the various prices and costs among participating Clients.

GoldenTree manages a variety of Clients that may pursue one or more investment strategies and objectives. Certain Clients share similar investment strategies and objectives while others differ. A particular investment could be deemed suitable for one Client but not another or could be deemed potentially suitable for a range of Client accounts. When allocating investments among Clients and, in particular, when determining whether to allocate to a Client, to include a particular Client in an aggregated order involving multiple Clients, and/or the Client’s percentage participation in a Bunched Order, GoldenTree will consider a number of factors (collectively, “Allocation Factors”). In general, Clients will be allocated investments on a pro rata average price basis, subject to the Allocation Factors, where a different allocation may be imposed, as follows:

- Investment strategies and objectives including, when applicable, distinguishing what GoldenTree deems to be the primary or core strategy/objective for one Client and a non-primary or accent strategy/objective for another Client;
- Net investment exposures at an issuer, security/position, and asset class level;
- The Client’s target return profile and risk tolerance;
- Client-imposed investment guidelines/restrictions;
- Timing of investments (e.g., if the agreements required for particular types of trading or investments for a Client’s accounts are not yet in place);

- In the case of CLOs for which GoldenTree or its affiliates acts as collateral manager, compliance tests, restrictive covenants, or credit ratings agency requirements that mandate certain portfolio characteristics, ratios, or measures be maintained;
- Cash availability/buying power on an absolute basis and relative to similarly situated Clients;
- Liquidity requirements, including pending or anticipated contributions and redemptions;
- Financing and leverage considerations (including, without limitation, taking into account the levels/rates that would be required to obtain an appropriate return);
- Any minimum denominations or increments to which trading in the security or instrument is subject;
- Whether allocating on a pro-rata basis would result in a position that is too small to be economically meaningful;
- Legal or regulatory restrictions;
- Ramp-up or ramp-down status as determined by GoldenTree; and
- Tax considerations.

Due to these Allocation Factors, among other things, not all Clients, even Clients that pursue the same or similar investment strategies, may participate in the allocations of investment opportunities of all other Clients, particularly where an investment opportunity is in limited supply. To the extent a Client does not participate in an allocation or a Bunched Order, but seeks to purchase the subject investment at a later point in time, this could cause the Client to receive an allocation at a better or worse execution price or to not receive an allocation at all.

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

In certain circumstances in which investments are purchased in a Bunched Order, GoldenTree may not be able to allocate it to a particular Client, for example when a proposed allocation does not meet the minimum assignment amount mandated by the issuer. In this regard, GoldenTree has established a special purpose vehicle (“SPV”) to facilitate these transactions. Clients may participate in the SPV unless their investment guidelines prohibit participation. In such cases, non-participating Clients could be subject to higher costs with respect to transactions. GoldenTree, in its discretion, could also decide to have certain, non-participating Clients not participate in a transaction if it believes that the costs associated with the investment are too high or where the investment minimums would otherwise preclude such an individual investment. GoldenTree has also created conduit SPVs in other certain non-US jurisdictions to facilitate what it believes to be more tax efficient transactions for one or more of its Clients or where the use of the SPV to facilitate the transaction is believed by GoldenTree as being more commercially efficient and cost-effective rather than if the Client sought to enter into the transaction directly without the use of the SPV (such as is the case in certain hedging and short sale transactions). GoldenTree may create additional conduit SPVs in the future.

Allocation of New Issues

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

GoldenTree utilizes a rotational allocation method for equity IPOs when its portfolio managers believe, in their reasonable discretion, that to allocate securities on a pro rata basis in amounts less than the originally requested allocation would result in positions that would be too small in the aggregate to be economically meaningful for all of the participating accounts.

Trade Errors

GoldenTree attempts to minimize trade errors by taking the utmost care in making and implementing investment decision. GoldenTree has commercially reasonable controls and procedures in place designed to detect and correct in a timely manner any trade errors that may occur. In order to address conflicts of interest that may arise in connection with trading errors, GoldenTree has adopted trading error correction policies and procedures reasonably designed to detect and promptly correct trading errors by GoldenTree.

To the extent an error is caused by a counterparty, such as a broker-dealer, GoldenTree will attempt to recover any loss associated with such error from such counterparty. Any losses resulting from trade errors may be borne by a Client unless such errors are due to actions by GoldenTree or its affiliates for which GoldenTree or its affiliates would not be entitled to indemnification. Any positive trade errors will be for the benefit of the Client and not retained by GoldenTree.

Item 13 Review of Accounts

GoldenTree's Chief Investment Officer and Lead Portfolio Managers review Client accounts and portfolios on a regular and routine basis. Lead Portfolio Managers are responsible for the day-to-day management and portfolio construction of specific strategies.

In order to ensure compliance with client-imposed investment requirements/restrictions, GoldenTree performs certain pre-trade and post-trade guideline monitoring. All new, open, and executed orders are maintained in Charles River™. In addition, the CIO and senior portfolio managers receive and review trading and holdings reports on a daily basis.

In addition, regular reviews are conducted of the trading in Client accounts. Transactions are reviewed to confirm compliance with client-imposed investment restrictions and to review whether trade allocations have been made in a manner consistent with GoldenTree's policies and procedures and its disclosures to Clients (see "Allocation Factors"). In addition, the Chief Compliance Officer or designee periodically selects a sample of representative transactions to review whether they were executed within the prevailing market. In the event that an impermissible entry or other trading error with respect to a Client account is identified during these reviews, such error will be identified and, to the extent possible, corrected as expeditiously as possible and in accordance with GoldenTree's trading error correction policies (see above).

Factors Prompting Review of Client Accounts Other than on a Period Basis

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

Content and Frequency of Account Reports to Clients

To the extent GoldenTree advises separately managed accounts, the Client will generally receive transactional reporting at or near the time that trades are executed for the applicable separately managed account and will be afforded full transparency with respect to portfolio holdings.

Performance reporting and, to the extent requested by a Client, assistance in the preparation of annual audited financial reporting, will also be provided.

Investors in the Funds generally receive from the Fund's administrator estimated monthly performance reports and an annual audited financial report of the Funds (except for the collateralized loan obligation investments) prepared by the Funds' certified independent public accountants, as well as any other reports required by law. In addition, GoldenTree generally provides quarterly investor letters and monthly portfolio overviews and investment performance related reports to investors. Further, GoldenTree, in its sole discretion, may make additional information about the Funds available to inquiring investors as it deems appropriate. Prior to releasing such additional information, depending on the information involved, GoldenTree may require an investor to enter into a confidentiality agreement.

While all investors generally receive similar information, to the extent an investor requests information that is not otherwise provided in a Fund's regular reports to investors, such information may provide such investor with greater insight into the Fund's activities relative to other investors in the Fund. Moreover, Clients with separately managed accounts will also have full transparency of portfolio investments entered into on its behalf. This could enhance such investor's or Client's ability to make investment decisions with respect to the Fund and could affect such investor's decision to make a purchase in or request a redemption from the Fund or its separately managed account.

Item 14 Client Referrals and Other Compensation

Economic Benefits for Providing Services to Clients

Other than what is described within this Brochure, no other person, other than Clients, provides an economic benefit to GoldenTree for providing investment advice or other advisory services to its Clients.

Compensation to Non-Supervised Persons for Client Referrals

From time to time, GoldenTree enters into arrangements with third parties whereby GoldenTree compensates such third parties for referring clients or investors to GoldenTree. To the extent required by applicable law, GoldenTree will only enter into an arrangement if the client/investor is aware of the fee arrangement and the arrangement is in compliance with applicable rules and regulations.

In addition, GoldenTree's prime brokers and broker dealers, from time to time, refer to GoldenTree potential clients/investors or arrange for meetings with potential clients/investors

who are also often clients of the broker. While this may create a potential conflict of interest, capital introduction is not a consideration when selecting or retaining prime brokers or executing trades. While the meetings may be arranged by the brokers, there is no guarantee that the clients/investors will invest with GoldenTree. Other than the standard commission rates paid by GoldenTree's Clients, and customary prime brokerage fees, the brokers do not receive any compensation, directly or indirectly, for the meetings or the subsequent investments, if any. GoldenTree does not select or recommend broker-dealers based upon client referrals from a broker dealer or third party. Clients do not direct brokerage.

Item 15 Custody

Except with respect to its Funds (which may include Funds with just one investor) and certain separately managed accounts, GoldenTree and its affiliates do not maintain physical custody of any securities or cash owned by the Funds (other than certain privately offered securities to the extent permitted by the Investment Advisers Act of 1940, as amended). With respect to the Funds, GoldenTree is generally deemed by the applicable regulatory rules to have constructive custody of the assets of such Funds as a result of its affiliate's position as a general partner and/or GoldenTree's or its affiliate's equivalent control of such Funds.

Funds are subject to an annual audit by an independent public accountant registered with the Public Company Accounting Oversight Board (PCAOB) and distribute audited financial statements to investors within 120 days of their fiscal year end.

With respect to separately managed accounts, Clients are generally responsible for selecting their custodian and receive periodic account statements directly from the broker-dealer, bank, or other institution providing such services. Clients should carefully review these statements and are urged to compare them with reporting provided by GoldenTree. However, for separately managed accounts where GoldenTree is deemed to have constructive custody, GoldenTree will undergo an annual custody audit by a PCAOB registered independent public accountant.

Item 16 Investment Discretion

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

restrictions that are negotiated between GoldenTree and the Client and memorialized in the investment management agreement.

Item 17 Voting Client Securities

Policies and Procedures Relating to Voting Client Securities

Within their investment management agreement or other Client related documentation, Clients may grant GoldenTree authority to vote their securities. In regard to Funds, GoldenTree will generally have the authority to vote securities whereas with separately managed accounts that authority will be subject to individual negotiation. At present, GoldenTree generally has authority to vote securities for all its Clients (with some limitation for certain separately managed accounts that may have retained discretion to vote on certain types of matters). In the case of debt securities, voting items generally pertain to amendment and consent requests for example, a request to amend a bond's indenture, as well as bankruptcy and reorganization proposals, as applicable such as a proposal to restructure a debt security where the underlying issuer is in bankruptcy.

In the case of equity investments, GoldenTree maintains a Proxy Policy. The Proxy Policy stems from the fiduciary obligations that GoldenTree has to its Clients regarding GoldenTree's authority to vote their proxies and provides GoldenTree with a demonstrable framework to allow it to act in the best interests of its Clients and to place the interests of its Clients before its own.

A copy of the Proxy Policy will be provided, upon request, to any Client that has given GoldenTree authority to vote its proxies. All Clients are also entitled, upon request, to the records of proxies received and voted on their behalf by GoldenTree. Clients should contact GoldenTree's Business Development group at 1-212-847-3500 with any such requests.

GoldenTree has engaged Institutional Shareholder Services ("ISS") as an independent third party proxy voting service to assist in the voting of Client proxies. ISS receives daily equity holdings and Cusips from GoldenTree, as well as share amounts, Cusips, and ballot control numbers from custodians and prime brokers for upcoming votes. ISS provides a reconciliation of holdings received from GoldenTree to those received from prime brokers and custodians for upcoming votes. ISS also alerts GoldenTree of all upcoming votes where no notifications have been received from prime brokers and/or custodians. GoldenTree Operations works to resolve any discrepancies.

ISS will provide GoldenTree with an analysis of proxy ballot items and vote recommendations based upon ISS's Voting Guidelines. ISS will generally vote proxies in accordance with the

recommendations of company management to the extent the proposals maintain or strengthen the shared interests of shareholders and management, increase shareholder value, and maintain or increase the rights of shareholders. In all cases GoldenTree seeks to vote proxies in the best interest of its Clients. However, GoldenTree realizes that there are many complexities to proxy votes and has reserved the right to override ISS's recommendations to vote against a proposal or recommendation of management if it determines, in its opinion, that such action is in the best interests of a Client.

With respect to GoldenTree Funds or separately managed accounts, each Fund or Account's prime brokers and/or custodians maintain records of all securities that are lent out pursuant to a lending arrangement or were rehypothecated. When ISS notifies GoldenTree of an upcoming vote, GoldenTree checks whether the underlying security is on loan. To the extent the underlying security has been lent out, if GoldenTree wishes to vote on the subject item it will instruct the custodian or prime broker to reclaim the security.

Item 18 Financial Information

GoldenTree does not require or solicit prepayment of advisory fees. There is no current financial condition that is reasonably likely to impair GoldenTree's ability to meet its contractual commitments to its Clients.

Item 19 Management Persons

GoldenTree's Executive Committee is composed of nine senior leaders from across the firm, all of whom are Partners. The Executive Committee meets regularly to formulate business strategy, discuss corporate governance, and review key areas of the business from a management company and fund perspective. Firm strategy, key hiring, and other new initiatives are discussed, providing a diversity of input as the business grows and evolves. The members of the firm's Executive Committee are:

Steven A. Tananbaum

Founding Partner & Chief Investment Officer

Steven Tananbaum is Founder, Managing Partner and Chief Investment Officer of GoldenTree Asset Management, overseeing the firm's investments across all fund offerings. In addition, Mr. Tananbaum is a Lead Portfolio Manager for GoldenTree Loan Management. Mr. Tananbaum chairs GoldenTree Asset Management's Executive Committee and is a member of the Risk Committee and Distressed Committee. A veteran of the credit markets with over 25 years of investing experience, Mr. Tananbaum founded GoldenTree in 2000 and was instrumental in

building the firm into an organization that is highly regarded for its investment process and partnership culture. Known for its focus on fundamental and relative value analysis, GoldenTree has produced strong competitive returns across product lines since its inception. The firm has grown into an organization of 27 partners, over 250 employees and over \$32 billion of assets under management. Prior to forming GoldenTree, Mr. Tananbaum spent over a decade at MacKay Shields. He was head of the firm's high yield group beginning on June 1, 1991 and, in 1997, founded its hedge fund business and served as the lead portfolio manager. Under Mr. Tananbaum's leadership, MacKay Shields' high yield mutual funds were rated in the top 5% by Lipper from June 1, 1991 through December 31, 1999. Prior to joining MacKay Shields, Mr. Tananbaum worked primarily on high yield and merger & acquisition transactions in the corporate finance department of Kidder, Peabody & Co. He is a graduate of Vassar College with a B.A. in Economics. Mr. Tananbaum is a CFA charterholder. He is a Member of the Board of Trustees of The Museum of Modern Art and a Member of the Council on Foreign Relations.

Christopher Hayward

Partner & President

Christopher Hayward is a Partner and President of GoldenTree Asset Management. In addition, Mr. Hayward is a member of GoldenTree's Executive Committee and chairs the firm's Business Management Operating Committee. Mr. Hayward manages GoldenTree's Business Management infrastructure, which provides operational and infrastructure support to GoldenTree's investment products and client franchise. Prior to joining GoldenTree, Mr. Hayward was Managing Partner and Co-Head of J.P. Morgan Global Alternatives. Within this Alternatives Group, Mr. Hayward was also a Managing Partner of Highbridge Capital Management and Chairman of the Highbridge Management Committee. Prior to joining J.P. Morgan, he was Managing Director and Chief Operating Officer for Global Equities Markets at Bank of America Merrill Lynch. Prior to this role, Mr. Hayward was Global Finance Director and Global Treasurer for Merrill Lynch. Before joining Merrill Lynch, he held senior positions in Risk Advisory Services and Global Risk Management for Bankers Trust. He began his career as a digital telecommunications engineer at AT&T Network Systems/Bell Labs. Mr. Hayward is a Board member and member of the Executive Committee of the Managed Funds Association (MFA), a global trade association representing the alternative investment industry. He is Board of Directors Chair of the New York non-profit organization, PENCIL, which supports public schools. In addition, he is Board of Trustees President of the non-profit organization, Westmoreland Sanctuary, a nature preserve in Westchester County, New York. Mr. Hayward earned his B.S. in Electrical Engineering from Illinois Institute of Technology and his M.B.A. in Finance and Public Policy from the University of Chicago Booth School of Business.

Steven Shapiro

Partner

Steven Shapiro is a Founding Partner at GoldenTree Asset Management and is a member of GoldenTree's Executive Committee. Prior to joining GoldenTree, Mr. Shapiro was a Managing Director in the High Yield Group at CIBC World Markets, where he headed Media and Telecommunications Research. Prior to its acquisition by CIBC in 1995, Mr. Shapiro was a research analyst with The Argosy Group, a high yield investment-banking boutique in New York. Before joining Argosy, Mr. Shapiro was a bankruptcy attorney with Stroock & Stroock & Lavan in New York. Mr. Shapiro is a member of the board of various not-for-profit entities including the Board of Overseers of the University of Pennsylvania Law School. He is also President of the Board of Trustees of the Abraham Joshua Heschel School in New York. Mr. Shapiro is a graduate of The University of Pennsylvania Law School, where he served as Senior Editor of the Labor Law Journal. He graduated with Honors from the University of Pennsylvania College of Arts & Sciences with a major in Modern Diplomatic History and was a member of the History Honor Society.

Joseph Naggar

Partner & Head of Structured Products and Chair of Risk Committee

Joseph Naggar is a Partner and Head of Structured Products at GoldenTree Asset Management. In addition, Mr. Naggar is a Portfolio Manager at GoldenTree Loan Management. Mr. Naggar is a member of GoldenTree Asset Management's Executive Committee and chairs the firm's Risk Committee. GoldenTree expanded its investing efforts in Structured Products in 2007 with the hiring of Mr. Naggar, who has been instrumental in building the firm's structured products investment team. Under Mr. Naggar's direction, GoldenTree built highly sophisticated, proprietary systems to analyze opportunities in structured products, which integrate the firm's proprietary knowledge of single name credits into the analysis of structured products investments. Prior to joining GoldenTree, Mr. Naggar was a Managing Director at Morgan Stanley in its Global Fixed Income Division and Global Principal Credit Group. Mr. Naggar is a member of The MIT Sloan School Americas Executive Board supporting engagement in North and Latin America. He also serves on the advisory board of the MIT Center for Finance and Policy. He holds an M.B.A from the MIT Sloan School of Business with a concentration in Financial Engineering and a B.S. from the Pennsylvania State University in Mechanical Engineering through the University Scholars program.

Lee Kruter

Partner & Head of North American Bonds and Loans

Lee Kruter is a Partner and Head of North American Bonds & Loans at GoldenTree Asset Management. He is also the Lead Portfolio Manager of the firm's Value Fund Strategy that has a track record spanning over 15 years and has ranked in the top decile of its peer group since

inception. In addition, Mr. Kruter is a Lead Portfolio Manager for GoldenTree Loan Management. Mr. Kruter is a member of GoldenTree Asset Management's Executive Committee and the firm's Risk Committee. Mr. Kruter's leadership has been instrumental in the performance and growth of the firm's long only offerings including our Value, Loan and Multi-Sector strategies. Mr. Kruter's current responsibilities at GoldenTree also include overseeing investments across the firm in the services, lodging, consumer and healthcare industries. Prior to joining GoldenTree, Mr. Kruter was a Vice President at Credit Suisse and spent seven years in the Leveraged Finance Research group, where he was responsible for the healthcare and services sectors. During his time at Credit Suisse, Mr. Kruter also covered various other sectors including metals & mining and wireless & wireline telecommunications. Mr. Kruter holds a B.S. in Finance and Management Information Systems from New York University's Leonard N. Stern School of Business. Mr. Kruter is also a CFA charterholder.

Kathy Sutherland

Partner & Head of Business Development and Strategy

Kathy Sutherland is a Partner and Head of Business Development and Strategy at GoldenTree Asset Management. In addition, Ms. Sutherland is a member of GoldenTree's Executive Committee. Ms. Sutherland oversees the firm's global Business Development effort located in New York, London and Singapore. Prior to joining GoldenTree, Ms. Sutherland was a Managing Director at JP Morgan where she was responsible for Fund and Structured Product Distribution across the Americas, Europe, the Middle East, and Asia from 2005 to 2008. During that period, JPMorgan became recognized as a leading Fund and Structured Product franchise, advising many of the most important asset managers and investors globally. In her 12 years at JP Morgan, Ms. Sutherland held several management positions across Portfolio Management, Structured Credit and High Yield including Senior US CLO Structurer, Co-Head of European Secondary Loan Trading, Head of High Yield Credit Derivatives Marketing, and Global Head of Structured Syndicate. Ms. Sutherland graduated from the University of Virginia with a B.A. in Chemistry and specialization in Biochemistry.

Pierre de Chillaz

Partner & Head of European Investments

Pierre de Chillaz is a Partner and Head of European Investments at GoldenTree Asset Management and is a member of GoldenTree's Distressed Committee. In addition, Mr. de Chillaz is a member of GoldenTree's Executive Committee and the firm's Risk Committee. GoldenTree has been investing in Europe for over 15 years and has had a local presence in Europe for over a decade. Mr. de Chillaz leadership over the last decade has contributed to significant growth of the firm's presence and recognition in the European credit markets. In Europe, the firm is active across a broad array of opportunities including distressed, senior secured, structured products and special situations. Prior to joining GoldenTree, Mr. de Chillaz

worked in investment banking for Bank of America Securities. Mr. de Chillaz earned his B.A. from Paris Dauphine University and received a Master's degree in International Economics and Finance from Brandeis University.

Ted S. Lodge

Partner & Global Head of Restructurings and Turnarounds

Ted Lodge is a Partner and Global Head of Restructurings and Turnarounds at GoldenTree Asset Management and is a member of GoldenTree's Distressed Committee. In addition, Mr. Lodge is a member of GoldenTree's Executive Committee. Mr. Lodge has extensive operational, financial and legal experience, and has worked in a broad array of industries, including media and telecommunications, oil and gas, manufacturing, distribution, travel and leisure and financial services. Prior to joining GoldenTree, Mr. Lodge spearheaded restructurings and turnarounds of businesses in his capacities as Chairman of the Board, Executive Chairman or President, and served on numerous Boards of Directors. Mr. Lodge is a graduate of the University of Pennsylvania Law School, where he served as Executive Editor of Comparative Business and Capital Markets Law Journal. In addition, Mr. Lodge earned a Master of Science degree in Economic History from the London School of Economics. Mr. Lodge holds an A.B. in Political Economy (Magna Cum Laude) from Brown University. Mr. Lodge is a member of the Institute for Law and Economics of the University of Pennsylvania Law School (Board of Advisors), National Association of Corporate Directors (Board Leadership Fellow), Turnaround Management Association and American Bankruptcy Institute.

Deeb Salem

Partner & Head of Trading

Deeb Salem is a Partner and Global Head of Trading at GoldenTree Asset Management, where he oversees the firm's trading functions, and is also a Lead Portfolio Manager on many of the firm's special situation offerings. Mr. Salem is also responsible for investments in structured products. In addition, Mr. Salem is a member of GoldenTree's Executive Committee and Risk Committee. Prior to joining GoldenTree, Mr. Salem was a Managing Director at Goldman Sachs, where he oversaw the non-agency mortgage and asset-backed trading businesses. He graduated Summa Cum Laude from Princeton University with a B.S.E in Engineering.