

GLC Investment Advisors, LLC

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Date of Brochure: March 25, 2020

Form ADV, Part 2, our “Disclosure Brochure” or “Brochure” as required by the Investment Advisers Act of 1940 is a very important document between Clients (you, your) and GLC Investment Advisors, LLC (us, we, our). This Brochure provides information about our qualifications and business practices.

This brochure provides information about the qualifications and business practices of GLC Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 415-962-8500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.

Additional information about GLC Investment Advisors, LLC also is available at the SEC’s website www.adviserinfo.sec.gov (click on the link, select “investment adviser firm” and type in our firm name or CRD number, which is 158414). Results will provide you both Part 1 and 2 of our Form ADV.

We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us (and other advisers) which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship.

Item 2 – Material Changes

This Brochure is our Annual Updating Amendment to our March 19, 2019 Brochure. We have made the following material changes:

1. We have updated the amount of assets under our management as of December 31, 2018.

In future filings, this section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.

We may, at any time, update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Executive Officer, Thomas Benninger, at 415-962-8500.

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Item 4 – Advisory Business

Description of Advisory Services:

We became registered as an investment adviser with the Securities and Exchange Commission on March 23, 2012. We are a wholly owned subsidiary of Global Leveraged Capital Holdings, LLC. Our assets under management as of December 31, 2019 were approximately \$85.7 million.

We are a boutique investment management firm currently providing investment management services to two private investment funds: (1) Global Leveraged Capital Credit Opportunity Fund I (“GLCCOF I”), and Global Leveraged Capital Credit Opportunity Fund I Corp., a co-issuer of the GLCCOF I; and (2) GLC Direct Credit Fund, LP (“Direct Credit Fund”) (collectively, the “Funds”). GLCCOF I is currently in liquidation. For more detailed information regarding the Direct Credit Fund, please refer to the Offering Circular and our ADV Part 1. Capitalized terms used in this Brochure to describe the Funds have the meaning ascribed to them in the Offering Circulars.

GLCCOF I

GLCCOF I is currently in liquidation. We are providing management services to provide an orderly liquidation of this fund.

Direct Credit Fund

We provide investment management services to Direct Credit Fund through a Management Agreement, which include assisting in the analysis and investigation of existing and potential senior debts and equity securities in the Fund, issuing recommendations for the Fund regarding the purchase and sale of senior debts and/or equity securities and the terms and timing of these transactions, and supervising the preparation and review of transaction documents in connection with these investments. We also assist in distributing the Direct Credit Fund cash and other securities, preparing of tax returns and tax statements for the Fund and its partners, completing all required regulatory filings, maintaining accurate accounting records, and assisting in capital raising efforts.

Please refer to the Amended and Restated Limited Partnership Agreement of the Fund for more details.

Item 5 – Fees and Compensation

GLCCOF I

All Management Fees for this fund have been deferred until all Class E Noteholders have been repaid.

Direct Credit Fund

We are compensated with a Management Fee pursuant to the Management Agreement between us, the Investment Advisor/Manager for the Fund, the Fund, and the General Partner of the Fund. This Management Fee is 2.0% per annum of the Fee Base as defined in the Amended and Restated Limited Partnership Agreement. The Management Fee is payable quarterly in advance and pro-rated on a daily basis for short fiscal periods. We do not have any conflicts of interest present that relate to any additional compensation.

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

We charge performance-based fees up to 20% after all limited partners receive a return on 100% of their funded commitments and a preferred return on their funded commitments. All Management Fees for GLCCOF I have been deferred until all Class E Noteholders have been repaid.

Item 7 – Types of Clients

We provide services to two private investment funds: (1) Global Leveraged Capital Credit Opportunity Fund I, an exempted company incorporated under the laws of the Cayman Islands, and Global Leveraged Capital Credit Opportunity Fund I Corp., a Delaware corporation that has co-issued notes with the GLCCOF I; and (2) GLC Direct Credit Fund, LP, a limited partnership organized under the laws of Delaware.

GLCCOF I

This fund is currently being liquidated.

Direct Credit Fund

The limited partnership interests are offered to Qualified Institutional Buyers (“QIBs”) or to Accredited Investors, in each case which QIBs and Accredited Investors are also Qualified Purchasers.

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

Analysis:

We use various methods of analysis when providing investment management services to the Fund. These include, but are not limited to, the following methods:

- Market comparables – we review recent comparable transactions to develop a range of leverage and pricing.
- Exit and break-up valuations – we analyze exit and break-up values, including division or asset sales, to analyze pricing.
- Unlevered returns – we review risk/return ratios on an unlevered basis, adjusting for industry, operating plans, and other specific risks, and compare to market returns of like-kind risks.
- Appropriate use of leverage – we view debt as contributing to the return on equity, but the debt cannot be the sole driver of the return.

Investment Strategies:

GLCCOF I

This fund is currently being liquidated.

Direct Credit Fund

Our investment strategies focus on the purchase and/or origination of senior debt, mezzanine, and minority equity capital to fund event driven transactions, such as acquisitions, buyouts, recapitalizations or restructurings, and investing in companies with complex capital structures that have limited access to the capital markets, near term maturity payments or debt levels that meet or exceed enterprise value; owning, managing, supervising and disposing of such investments; and engaging in all activities related thereto.

Risk of Loss:

All investments in securities include a risk of loss of principal and any profits that have not been realized. The particular risk factors applicable to the securities held by the Funds include, but are not limited to, the following:

Direct Credit Fund

- Mezzanine investments involve a high degree of risk with no certainty of any return of capital. There can be no assurance that a portfolio company will generate sufficient cash flow necessary to service its debt obligations.

- There may be no established market for portfolio investment and transfer of ownership of such investment may be restricted.
- There would not typically be any interim cash dividends or other distributions on its private equity investments during its holding period but would realize its entire return upon eventual redemption of sale. The timing of ultimate realization is highly uncertain. Thus, the holding period for these securities may be lengthy.
- The portfolio investments are not secured by any collateral.
- The portfolio investments are subject to credit, liquidity and interest rate risk.

Item 9 – Disciplinary Information

We do not have any legal, financial or other “disciplinary” item to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us.

This statement applies to our Firm, and every employee.

Item 10 – Other Financial Industry Activities and Affiliations

Our Chief Executive Officer, Thomas Benninger, is also registered as a broker with GLCA Securities, LLC, a registered broker-dealer and one of our affiliates. None of our activities in providing management services to the Funds are related to the activities of GLCA Securities, LLC. Therefore, Mr. Benninger’s affiliation does not present a conflict of interest to us.

Item 11 – Code of Ethics

We have adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our Client (or Prospective Client) and to drive home a Culture of Compliance within our firm.

An additional benefit of our Code is to detect and prevent violations of securities laws, including our obligations we owe to you.

Our Code is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code with annual training and on-going monitoring of employee activity.

Our Code includes the following:

- Our fiduciary duty to you;
- Requirements related to the confidentiality of your information;
- Prohibitions on:
 - Insider trading (if we are in possession of material, non-public information),
 - Engaging in certain transactions, and
 - The acceptance of gifts;
- Pre-clearance of employee and firm transactions;
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call “reportable securities” as mandated by regulation); and,
- On an annual basis, we require all employees to re-certify receipt of our Code, submit a complete report of securities holdings and on a monthly basis to submit copies of all statements reflecting personal securities transactions in reportable securities.

Our Code does not prohibit personal trading by employees. Due to the nature of the Funds for which we provide investment management services, it is highly unlikely that any of our employees would purchase or sell the same or similar securities that are held by the Funds.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this brochure.

Item 12 – Brokerage Practices

We do not utilize the services of brokers in connection with our provision of investment management services to the Funds.

Item 13 – Review of Accounts

The Funds and their portfolio companies are reviewed with varying frequency in connection with the reporting cycles.

Monthly reporting focuses on “flash” financial results including sales, EBITDA and liquidity of the portfolio companies. All flash reports are summarized and delivered via email to the

Fund partners. If a portfolio company falls below 90% of its plan, it is required to issue a 13-week rolling cash forecast.

Quarterly reporting includes the review of a full set of unaudited financials for the portfolio companies, compliance certificates, and a management discussion and analysis report, including key operating statistics and a liquidity analysis.

Annual reporting includes a comprehensive review of all of the documents reviewed in connection with quarterly reporting, plus a review of the annual budgets and business plans for the portfolio companies for the following fiscal year. Included in this review are audited financial reports and all information provided to each company's board of directors.

The Funds closely monitors each portfolio company on an ongoing basis and monitors financial trends of each portfolio company to determine if it is meeting its business plan and to determine whether any additional oversight or action is required. The portfolio management and monitoring functions include:

- Analyzing the company's monthly and quarterly financial performance and adherence to its covenants;
- Evaluation of a company's business plan and annual budgets;
- Regular contact with a company's management team and other sponsors or lead investors, if applicable, to discuss financial, operational and strategic performance.
- Comparisons to other companies in similar industries; and
- Attendance at and participation in board of director meetings.

Item 14 – Client Referrals and Other Compensation

We do not receive any compensation or other economic benefit from a third party for providing investment advice or products to the Funds. We do not enter into solicitation agreements with individuals to refer potential clients to us.

Item 15 – Custody

GLCCOF I

We do not have custody of any of the Fund's assets.

Direct Credit Fund

We have custody of the Fund's assets. The Fund sends quarterly unaudited financial statements and capital account statements to its investors. The Fund also sends annual financial statements audited by independent public accountants and capital account statements to its investors.

Item 16 – Investment Discretion

We have full discretionary authority over any of the Funds' investments.

Item 17 – Voting *Client* Securities (i.e., Proxy Voting)

We do not vote proxies for the Collateral Manager or the Funds. We, however, have full proxy voting authority for any of the Funds' investments.

Item 18 – Financial Information

We are not aware of any circumstance that would be reasonably likely to impair our ability to meet our contractual commitments to our clients.