



**ORIX ADVISERS, LLC**

**CRD #307580**

280 Park Avenue, 40 West

New York, NY 10017

December 30, 2020

This brochure (the “Brochure”) provides information about the qualifications and business practices of ORIX Advisers, LLC, a Delaware limited liability company (“ORIX Advisers”). If you have any questions about the contents of this Brochure, please contact us at 646-569-2300. 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. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

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

## **Item 2. Material Changes**

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This Brochure, dated December 30, 2020, serves as an other-than-annual update to ORIX Advisers' Brochure dated July 24, 2020. The material change made in this update relates to the addition of Charles Gilroy as Chief Operating Officer of ORIX Advisers (see Schedule A of Part 1 of Form ADV). Other changes at this time include additional clarifying disclosures related to conflicts of interest and trade allocation in Item 10. The following specific material changes were made in connection with the prior version of the Brochure dated July 24, 2020:

- All items were updated to include the addition of the leveraged credit business line which was transitioned from another Registered Investment Adviser owned by ORIX USA on July 15, 2020.
- Item 4 was updated to reflect ORIX Advisers' regulatory assets under management as of March 31, 2020, inclusive of the leveraged credit business line. As noted above, the leveraged credit team was part of a separate registered investment adviser as of March 31, 2020 and was not part of ORIX Advisers.

Other changes made in connection with the July 24, 2020 Brochure update included additional and clarifying disclosures concerning risks and conflicts of interests.

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#### Item 4. Advisory Business

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ORIX Advisers is wholly-owned, through interim wholly-owned subsidiaries,<sup>1</sup> by ORIX Corporation USA (“ORIX USA”), which itself is a wholly-owned subsidiary of ORIX Corporation (NYSE: IX, TSE: 8591) (“ORIX Corporation”), a public company.

Effective July 14, 2020, SEC-registered investment adviser ORIX Capital Partners, LLC was renamed ORIX Advisers, LLC.

ORIX Advisers through its private equity team, ORIX Capital Partners (“OCP”), provides discretionary portfolio management and advisory services to a pooled investment vehicle, ORIX Capital Fund I, L.P. (the “OCP Fund”) and intends to do so for future investment vehicles or separately managed accounts (each an “OCP Client” and collectively with the OCP Fund, “OCP Clients”). ORIX Advisers, through its leveraged credit investment team, Signal Peak (“Signal Peak”), serves as investment adviser to two pooled investment vehicles, Signal Peak Falcon CLO Fund L.P. (the “Falcon Fund”) and Signal Peak CLO Opportunities Fund, L.P. (the “CLO Opps Fund”, and together with the Falcon Fund, the “Credit Funds”), separately managed accounts (each an “SMA”), and as investment manager or servicer of vehicles holding collateralized loan obligations (the “Securitized Vehicles”) (collectively, the Credit Funds, SMAs and Securitized Vehicles are referred to herein as “Signal Peak Clients” and together with the OCP Clients, the “Investment Advisory Accounts”).

OCP, on behalf of the OCP Fund, seeks to obtain controlling positions in middle-market, privately held operating companies, principally located in, or with a significant presence or operations in, North America, using leveraged acquisitions, build-ups, recapitalizations, restructurings and growth equity transactions. Signal Peak, on behalf of the Signal Peak Clients, invests in portfolios of broadly syndicated leveraged loans and high-yield bonds, collateralized loan obligation liabilities and residual notes where it seeks to generate returns over a finite life through a combination of high current income and capital appreciation.

The terms upon which ORIX Advisers provides its investment management services to an Investment Advisory Account are set out in the relevant offering documents, disclosure documents, indentures, limited partnership or limited liability company agreements, investment management agreements, asset management agreements, collateral management agreements, subscription agreements, Side Letters (as defined below), or similar documents, as applicable (each a “Governing Document,” and, collectively, the “Governing Documents”).

Investment advice provided to the OCP Fund and any future OCP Client will be provided directly to the OCP Fund and each future OCP Client and not individually to the investors in the OCP Fund and/or future OCP Clients. Accordingly, such services will be tailored to the OCP Fund’s or future OCP Client’s investment objectives, strategies and guidelines, which will be described in the applicable Governing Documents. Investors in the OCP Fund are generally not provided with the right to specify, restrict, or influence the OCP Fund’s investment objectives. However, each investor in the OCP Fund is generally given the right to determine whether to participate in each OCP Fund investment involving a new portfolio investment in the OCP Fund (“Portfolio Investment”), as opposed to follow-on investments in portfolio

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<sup>1</sup> The subsidiaries are as follows: OAM Holdings, LLC (“OAM Holdings”), which is a majority shareholder of ORIX Advisers; ORIX Global Asset Management, LLC (“ORIX Global”), which is the sole owner of OAM Holdings; ORIX Opco Holdings, LLC (“Opco Holdings”), which is the sole owner of ORIX Global; ORIX Capital Markets, LLC (“Capital Markets”), which is the sole owner of Opco Holdings; and ORIX Corporation USA, which is the sole owner of Capital Markets.

companies, where the decision to make such investment may remain solely with ORIX Advisers, absent an agreement with an investor in the OCP Fund through a Side Letter or another agreement.

Signal Peak manages the Credit Funds and Securitized Vehicles in accordance with the investment strategy, as set forth in their respective Governing Documents, and not based upon the individual needs of the investors in such vehicles. Signal Peak, however, generally tailors its advisory services to the individual needs of its client in the SMAs, which it currently only manages for proprietary accounts of ORIX USA, its parent company. Signal Peak generally will permit its client to impose restrictions on its SMAs with respect to: (i) the specific types of investments or asset classes that Signal Peak will or will not purchase for its SMAs; (ii) the nature of the issuers of investments that Signal Peak will or will not purchase for its SMAs; and/or (iii) the risk profile of instruments Signal Peak will or will not purchase for its SMAs, or the risk profile of the SMAs as a whole.

As of May 31, 2020, ORIX Advisers managed \$5,316,794,944 in Regulatory Assets Under Management ("RAUM"), \$4,959,783,550 of which on a discretionary basis and \$357,011,394 of which on a non-discretionary basis.<sup>2</sup>

#### **Item 5. Fees and Compensation**

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In connection with its advisory services to Investment Advisory Accounts, ORIX Advisers and/or its affiliates will generally receive a Management Fee (as defined below) and performance-based compensation through carried interest, performance fee, an allocation of profits or similar method of sharing in profits (collectively referred to as "Carried Interest"). In addition, Investment Advisory Accounts will bear certain expenses incurred in connection with ORIX Advisers' management of their account. Such fees, compensation and expenses may vary among Investment Advisory Accounts, and specific details regarding the fees, compensation and expenses payable by a particular Investment Advisory Account will be set forth in the Governing Documents of such Investment Advisory Account. ORIX Advisers does not have a general fee schedule.

ORIX Advisers, in its sole discretion, may elect to waive or reduce its Management Fee and or Carried Interest for investors, including, but not limited to, its employees, affiliates (including ORIX USA), affiliated employees, the family members of its employees or affiliated employees, Operating Advisers (as defined below) without entitling any other investor to such waiver or reduction.

##### *Management Fee*

ORIX Advisers expects to receive a management fee (the "Management Fee") from each Investment Advisory Accounts that will be calculated as a percentage of such Investment Advisory Account's assets. ORIX Advisers expects that the rate for Management Fees charged to Investment Advisory Accounts will vary depending on the applicable investment strategy and the services provided. ORIX Advisers may, in its sole discretion, waive or reduce the Management Fee for any Investment Advisory Account investor, and expects to do so for proprietary accounts of ORIX USA.

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<sup>2</sup> With respect to the RAUM figures used for purposes of this filing, it should be noted that the Signal Peak RAUM is as of May 31, 2020 and is based on assets managed by the same team that was part of another registered investment adviser prior to July 15, 2020, the date on which the Signal Peak Clients transferred over to ORIX Advisers. It should also be noted that the RAUM for ORIX Capital Fund I, LP is as of March 31, 2020 as this private equity portfolio is only valued on a quarterly basis and this is the most current figure available at time of filing.

The Management Fee for each Investment Advisory Account generally ranges from 0.5% to 2.0% of either the Investment Advisory Account's net asset value or actively invested capital, as outlined in each Investment Advisory Account's Governing Documents. For the Securitized Vehicles, the Management Fee is based on the principal balance of the assets held in the portfolio on defined dates, as set out in each vehicle's Governing Documents and remain constant for the duration of the life of the Securitized Vehicle. For each Investment Advisory Account, the Management Fee is generally payable quarterly in advance, with the exception of the Securitized Vehicles, which pay the Management Fee quarterly in arrears.

ORIX Advisers may deduct Management Fees from the OCP Fund. If the OCP Fund does not have sufficient funds available, unpaid installments of the Management Fee accrue in arrears (without interest or charges of any kind) and may be deducted from capital contributions of OCP Fund investors or distributions to OCP Fund investors.

#### *Performance-Based Compensation*

ORIX Advisers expects to receive Carried Interest from each Investment Advisory Account, with the exception of the Falcon Fund and the CLO Opps Fund<sup>3</sup> which do not pay performance-based compensation to ORIX Advisers. Generally Carried Interest is paid or distributed upon the exit of investments, after invested capital has been returned and such Investment Advisory Account has achieved a preferred return. In the case of the Securitized Vehicles, a Carried Interest is paid or distributed on a quarterly basis, after such Securitized Vehicle has achieved a preferred return. Performance-based compensation will be calculated as a percentage of the realized profits of Investment Advisory Account investments, or in the case of the Securitized Vehicles, as a percentage of interest and principal proceeds received by such account as of the payment date. ORIX Advisers may, in its sole discretion, waive, reduce or modify the provisions relating to the Carried Interest for an Investment Advisory Account investor and expects to do so for investments by employees, affiliates (including ORIX USA), affiliated employees, the family members of its employees or affiliated employees and Operating Advisers (as defined below).

ORIX Advisers or an affiliate of ORIX Advisers receives a Carried Interest from the OCP Fund and the Securitized Vehicles. In the case of the OCP Fund, the Carried Interest is up to 20% of realized investment profits, subject to a return of investors' contributed capital and a preferred investor return of up to 8% per annum. For the Securitized Vehicles, ORIX Advisers may also receive Carried Interest of up to 20% of any remaining interest or principal proceeds after a specified hurdle rate is met. The Carried Interest for each Securitized Vehicles is paid on a quarterly basis by the trustee of the Vehicle in accordance with the terms of the relevant Governing Document. Please note while the Governing Documents of the CLO Opps Fund allow ORIX Advisers to receive a Carried Interest of up to 20% of realized investment profits, subject to a return of investors' contributed capital and a preferred investor return of up to 8% per annum, ORIX Advisers does not currently charge such Carried Interest. See Item 6, Performance Based Fees and Side-by-Side Management.

#### *Additional Fees and Expenses*

Please note that the information provided in this section is intended to be a broad, general overview of the additional expenses charged to the Investment Advisory Accounts. Please refer to the Governing Documents of each Investment Advisory Account for additional disclosure on the treatment of expenses.

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<sup>3</sup> Please note the CLO Opps Fund is organized as a partnership (the "Partnership") and has two outstanding series, Series 2 and Series 3. The Governing Documents for the Partnership allow for both a management fee and performance-based compensation but ORIX Advisers does not currently charge such fees at the Partnership level or at the Series level.

Certain fees and expenses incurred by ORIX Advisers and its affiliates will be charged to the Investment Advisory Accounts. ORIX Advisers will face a conflict of interest in determining whether and how to allocate a particular expense to the Investment Advisory Account and/or to ORIX Advisers.

Each Investment Advisory Account generally is responsible for all of its operating expenses, including the costs and expenses in connection with the organization of the vehicle, including legal and accounting fees and expenses, travel and out-of-pocket expenses and all other costs and expenses incurred in connection with the offering of interests in the particular vehicle (the “Organizational Expenses”). Further, certain Investment Advisory Accounts are responsible for any placement or similar fees payable to a placement agent in connection with the offering of the interests of a vehicle.

In addition, an Investment Advisory Account is generally responsible for all costs and expenses relating to the administration and operation of such Investment Advisory Account (the “Operating Expenses”). The Operating Expenses for the Falcon Fund include, but are not limited to (i) all costs and expenses incurred in connection with the evaluation, acquisition, or disposition of investments including all brokerage commissions incurred, margin, premium and interest expenses, fees and disbursements of transfer agents, registrars, custodians, sub-custodians and escrow agents; interests on and commissions, fees and expenses on or related to or resulting from debit balances, borrowings or loan agreements, any withholding or transfer taxes and all other investment related expenses of any type; (ii) administrator fees, accounting, audit and legal expenses, estimated costs of any litigation or investigation involving activities of the Falcon Fund, and costs associated with reporting and providing information to limited partners; (iii) all expenses associated with potential acquisitions of investments that are not approved (“Broken Deal Expenses”); (iv) all costs incurred in providing office space, including rent, utilities, telephone and office supplies, compensation and benefits of employees and officers, and all other general operating and overhead expenses.

The Operating Expenses of the CLO Opps Fund include but are not limited to (i) developing, sourcing, investigation, negotiation, structuring, acquisition, or disposition of Investments, including private placement fees, sales commissions, appraisal fees, taxes, travel expenses, litigation expenses, brokerage fees, underwriting commissions and discounts, any filing or similar fees, and legal, accounting, investment banking, financial, consulting, information services and professional fees; (ii) all Broken Deal Expenses; (iii) any fees associated with the custodian, trustee, record keeping, and other administrative fees; (iv) expenses incurred in connection with the maintenance of books and records and the preparation and delivery of any reports to limited partners, tax returns, Schedule K-1s (or similar schedule) and non-US tax forms and any other communication to limited partners; (v) attorneys’, accountants’ and other tax advisors’ fees and disbursements and the fees and disbursements of any administrator for the CLO Opps Fund; (vi) taxes and other governmental charges levied against the CLO Opps Fund except as otherwise noted in the Governing Documents; (vii) insurance, regulatory or litigation expenses (and damages) and any indemnification obligations of the CLO Opps Fund; (viii) expenses incurred in connection with the winding up or liquidation of the CLO Opps Fund; (ix) expenses incurred in connection with any restructuring or amendments to the constituent documents of the CLO Opps Fund and related entities; (xii) expenses incurred in connection with the formation of alternative investment vehicles to the extent not borne solely by the investors participating in the applicable alternative investment vehicle; (x) expenses incurred in connection with investor distributions and any investor meetings; and (xi) expenses incurred in connection with the valuation of the assets of the CLO Opps Fund.

The Operating Expenses for the OCP Fund include but are not limited to (i) expenses incurred in connection with the evaluation, acquisition or disposition of Portfolio Investments, including private placement fees, sales commissions, appraisal fees, finder’s fees, taxes, brokerage fees, underwriting fees

and discounts, administrator fees, and legal, tax, audit, accounting, investment banking, consulting, information services and professional fees (including fees and expenses of third-party Advisory Board<sup>4</sup> members, but excluding any salary, bonus or similar compensation of any Advisory Board member); (ii) expenses incurred in connection with the carrying or management of Portfolio Investments, including custodial, trustee, record keeping and other administration fees; (iii) expenses incurred in connection with the preparation and delivery of the OCP Fund's financial statements, tax returns, Schedule K-1's and other communications with investors, including expenses incurred in connection with providing the investors access to a database or other forum hosted on a website designated by the general partner of the OCP Fund (the "OCP General Partner"), if any; (iv) attorneys', accountants' and other tax advisors' fees and disbursements and the fees and disbursements of any administrator for the OCP Fund; (v) taxes and other governmental charges levied against the OCP Fund except as otherwise noted in the Governing Documents; (vi) insurance, regulatory or litigation expenses (and damages) and any indemnification obligations of the OCP Fund; (vii) expenses incurred in connection with the winding up or liquidation of the OCP Fund (including the fees and expenses of the liquidator); (viii) expenses relating to defaults by investors in the payment of any capital contributions; (ix) expenses incurred in connection with any restructuring or amendments to the constituent documents of the OCP Fund and related entities; (x) expenses incurred in connection with the formation of alternative investment vehicles to the extent not borne solely by the investors participating in the applicable alternative investment vehicle; (xi) expenses incurred in connection with investor distributions and any investor meetings; (xii) ongoing regulatory expenses, including, without limitation, the fees and expenses associated with the preparation of and filings related to Form PF, CPO-PQR, the European Union Directive 2011/61/EU on Alternative Investment Fund Managers and any other regulatory registrations or filings which seek information about the OCP Fund; (xiii) costs and expenses of obtaining and maintaining any subscriptions or data services in the operation of the OCP Fund, and (xiv) expenses relating to borrowings (including interest and fees on borrowed monies, and other costs and expenses relating to debt obligations of, or other extensions of credit obtained by, the OCP Fund).

The Securitized Vehicles will be responsible for administrative expenses (including indemnification payments) which include but are not limited to (i) fees paid to the trustee pursuant to the Indenture; (ii) fees paid to the bank in all its capacities with respect to the Securitized Vehicles, including as collateral administrator; (iii) fees paid to the administrator, (iv) any taxes or governmental fees of the Securitized Vehicle or its subsidiaries, (v) fees and expenses paid to the rating agencies in connection with any rating of the notes and the collateral obligations of the vehicle (including fees related to surveillance, credit estimates and monitoring of ratings); (vi) fees paid to any independent accountants, agents, valuation services and counsel of the vehicle; (vii) any other fees and expenses owed to ORIX Advisers under the asset management agreement and indenture with respect to the particular vehicle; (viii) any fees and expenses in connection with any application for listing of any Securities or any withdrawal of any such application; (ix) any governmental fee, charge or tax (including any expenses incurred in connection with setting up and administering subsidiaries or related to tax account reporting rules compliance and other tax compliance); (x) any unpaid expenses related to a refinancing, re-pricing or the issuance of additional notes or any reserve for expenses related to a refinancing, re-pricing or the issuance of additional notes; (xi) any amounts reserved for expenses in connection with an optional redemption or the discharge of the indenture; (xii) any fees of any registered agent or corporate services supplier; and (xiii) any reserve

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<sup>4</sup> The Advisory Board, as set forth in the OCP Fund Governing Documents, means an advisory board of OCP comprised of experienced senior industry executives with whom ORIX Advisers has entered or may enter into certain strategic relationships to provide certain services.

established for expenses associated with a dissolution in connection with a redemption or discharge of the Indenture or following an event of default as such term is defined in the Governing Documents.

ORIX Advisers or its affiliates may receive from third parties directors' fees, transaction fees, topping fees, break-up fees, investment banking fees, closing fees, monitoring fees, advisory fees, consulting fees, administrative fees, placement agent fees, management fees or other similar fees (together, "Transaction Fees"), in each case related to a portfolio Investment of the OCP Fund (a "Portfolio Investment"), which will offset the Management Fee payable by the OCP Fund investor as and to the extent set forth in the OCP Fund's Governing Documents (net of any expenses borne by the OCP General Partner, ORIX Advisers or their respective affiliates in connection therewith). The amount of such Transaction Fees applied to this offset with respect to a limited partner of the OCP Fund (an "OCP Limited Partner") will be determined based on such Limited Partner's pro rata share (based on the OCP Limited Partners' relative percentage interests) in the relevant Portfolio Investment. Potential conflicts of interest may arise as a result of the economic benefits ORIX Advisers and its affiliates may receive from the payment of such Transaction Fees. Expenses that are reimbursed by a Portfolio Investment may include certain expenses that would not constitute expenses borne by the OCP Fund, but instead would be borne by the OCP General Partner or ORIX Advisers absent such reimbursement. The payment of such fees and expenses by a Portfolio Investment may also be viewed as reducing the value of such Portfolio Investment and, accordingly, the value of the OCP Fund's investment in such Portfolio Investment.

In addition to the full-time investment professionals of ORIX Advisers, ORIX Advisers may engage the services of certain operating or other advisers (collectively, "Operating Advisers") to work actively with ORIX Advisers on sourcing and evaluating new transactions, as well as providing strategic insights related to Portfolio Investment matters after an investment in such Portfolio Investment has been made. While these advisers may work with ORIX Advisers, they are not partners or employees of ORIX Advisers or any of its affiliates, but rather consultants engaged by the OCP Fund. The compensation of such individuals (other than salary, bonus or similar compensation of any individuals who are Advisory Board members) will generally be treated as Operating Expenses payable by the OCP Fund and will not reduce the Management Fee or other fees or compensation paid by the OCP Fund to ORIX Advisers or its affiliates.

Because certain of the fees, costs and expenses associated with the engagement, retainer or employment of an Operating Adviser will generally not be borne by the OCP General Partner, ORIX Advisers or any of their respective affiliates (other than an affiliate of ORIX USA that is a Limited Partner of the OCP Fund ("ORIX LP") in its capacity as a Limited Partner of the OCP Fund), ORIX Advisers and the OCP General Partner will have an incentive to engage a consultant as an Operating Adviser, rather than as an employee or partner of ORIX Advisers or the OCP General Partner. All decisions made by ORIX Advisers or the OCP General Partner in this regard will be made in their sole discretion. ORIX Advisers and the OCP General Partner intend to make all Operating Adviser engagement, retainer or employment decisions in good faith and to only engage any such Operating Adviser that they believe possesses relevant experience or expertise to serve in such capacity.

Investors should review all fees charged by ORIX Advisers, its affiliates, and others, as set out in each Investment Advisory Account's Governing Documents to understand fully the total amount of fees paid by an Investment Advisory Account and, indirectly, its investors.

Investment Advisory Accounts may be required to pay certain brokerage fees as further discussed below under "Brokerage Practices." No employee of ORIX Advisers will accept or otherwise receive, directly or indirectly, any compensation for the sale of securities of an Investment Advisory Account.

### *Conflicts Arising from Expense Allocations*

From time to time, ORIX Advisers will be required to decide whether certain costs and expenses are to be borne by Investment Advisory Accounts, on the one hand, or by ORIX Advisers or its affiliates, on the other hand. ORIX Advisers may face a conflict of interest when making such allocations due to the fact that an affiliate of ORIX Advisers will be an Investment Advisory Account and/or will have economic interests in one or more Investment Advisory Accounts. ORIX Advisers has implemented expense allocation review and approval policies and procedures in order to supervise the allocation of expenses and to help to ensure that expenses allocated to Investment Advisory Accounts comport with what is permitted by the relevant Governing Documents, and will make expense allocation judgments in its fair and reasonable discretion while taking into account factors it considers relevant and appropriate, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable.

### **Item 6. Performance Based Fees and Side-by-Side Management**

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As noted above, in connection with its advisory services, ORIX Advisers and/or its affiliates will generally be entitled to receive Carried Interest based on a share of realized profits of Investment Advisory Account investments, or in the case of the Securitized Vehicles, as a percentage of interest and principal proceeds received by such account as of a payment date, and the terms of such Carried Interest will be set forth in the relevant Investment Advisory Account's Governing Documents. Pursuant to the Governing Documents, ORIX Advisers, or an affiliate, is entitled to receive Carried Interest from each of the OCP Fund and CLO Opps Fund of up to 20% of realized investment profits, subject to the return of investors' contributed capital and a preferred Investment Advisory Account investor return ranging of up to 8% per annum. However, in the case of the CLO Opps Fund, neither ORIX Advisers nor an affiliate currently charges such Carried Interest. As set forth in Item 5, the Carried Interest for the Securitized Vehicles is generally 20% of any remaining interest or principal proceeds after a specified hurdle rate is met. ORIX Advisers has, and may in the future, in its sole discretion, waive, reduce or modify the provisions relating to Carried Interest for any Investment Advisory Account or Investment Advisory Account investor and expects to do so for proprietary accounts of employees, affiliates (including ORIX USA), affiliated employees, the family members of its employees or affiliated employees and Operating Advisers (as defined below).

The performance-based compensation arrangements described above create an incentive for ORIX Advisers to make investments on behalf of Investment Advisory Accounts that are riskier or more speculative than would be the case in the absence of such compensation, in an effort to achieve higher returns that will increase performance fees. In addition, methods of calculating Carried Interest may result in conflicts of interest between ORIX Advisers, on the one hand, and Investment Advisory Accounts, on the other hand, with respect to the management and disposition of investments, including the timing and sequence of such dispositions. Further, in the case of certain Investment Advisory Accounts, the basis for some performance-based fees includes unrealized appreciation of client assets, and could result in ORIX Advisers, or an affiliate of ORIX Advisers, receiving greater performance-based fees than would be the case if the basis for which the performance based fees were calculated was solely on realized gains. ORIX Advisers discloses this conflict in the relevant Investment Advisory Accounts' Governing Documents to potential investors.

In addition, as further discussed in Item 10, under the current construct of the OCP Fund, conflicts of interest will arise in connection with allocation of investment opportunities and access to portfolio companies (some conflicts of which may be mitigated for some or all limited partner investors by Side

Letter (as described below)). ORIX Advisers has developed policies and procedures pursuant to which ORIX Advisers will seek to make investment decisions, without consideration of its financial interests, and in accordance with ORIX Advisers' fiduciary duty to the Investment Advisory Accounts and any future Investment Advisory Accounts.

In the case of the OCP Fund, the OCP General Partner may allocate a portion of the Carried Interest to ORIX Advisers' personnel, some or all of the members of the OCP Fund's Advisory Board or to Operating Advisers. To the extent that current ORIX Advisers personnel are, or become, former personnel of ORIX Advisers, such individuals may no longer be involved in the OCP Fund's affairs. Any such change in these arrangements or allocations to former personnel may reduce the pool of Carried Interest available to incentivize new and remaining ORIX Advisers' personnel.

Investment Advisory Accounts have from time to time entered, and may enter in the future, into separate agreements, commonly referred to as "side letters," or other similar agreements (each a "Side Letter"), with particular investors, in connection with a particular investor's admission to such Investment Advisory Account, without notice or approval of any other investor. A Side Letter has the effect of establishing rights under, or altering or supplementing, the terms of the Investment Advisory Account's Governing Documents with respect to such investor in a manner more favorable to such investor than those applicable to other investors of such Investment Advisory Account. Such terms vary by investor but may include, and in some cases do include, but are not limited to, those relating to "most favored nation" status, transparency, information rights, Portfolio Investment board observer rights, reductions in Management Fee, expenses allocated to such Investment Advisory Account, revenue sharing, carried interest, performance-based fees, Investment Advisory Account distributions, indemnification and exculpation or other preferential terms, such as access to co-investment opportunities. No Side Letter provided to an investor or a third party by the Investment Advisory Account and/or ORIX Advisers or its affiliates will necessarily entitle any other investor or third party (who does not otherwise also have in place a Side Letter) to the rights granted in such Side Letter.

Please see Item 10 – Other Financial Industry Activities and Affiliations for additional information regarding ORIX Advisers' affiliates, ORIX Advisers' policies for allocating investment opportunities to Investment Advisory Accounts, and potential conflicts of interest.

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#### **Item 7.           Types of Clients**

ORIX Advisers provides investment advisory services and asset management services to the Investment Advisory Accounts. ORIX Advisers does not provide investment advisory services directly to investors in the Investment Advisory Accounts, except with respect to the SMAs which are proprietary accounts of ORIX USA. Investors may include family offices, companies, other investment advisers, pension funds and profit sharing plans, trusts, charitable organizations, institutions, endowments, insurance companies, funds of funds, pooled investment vehicles, foreign sovereign wealth funds and other entities. Investors in the OCP Fund, the Credit Funds and the SMAs need to meet both (i) the definition of a "qualified purchaser" as such term is defined in the Investment Company Act of 1940, as amended (the "Investment Company Act"), and (ii) the definition of "accredited investor" as such term is defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act"). Investors in the Securitized Vehicles are generally required to meet both (i) the definition of a "qualified purchaser" as such term is defined in the Investment Company Act and (ii) the definition of "qualified institutional buyer" as such term is defined in Rule 144A under the Securities Act or the definition of "institutional accredited investor" as such term is defined in Regulation D under the Securities Act.

ORIX Advisers currently does not require a minimum account size, except for investors in the CLO Opps Fund and the Securitized Vehicles as described in the relevant offering documents. With respect to an Investment Advisory Account organized as a pooled investment vehicle, ORIX Advisers may require minimum initial subscriptions from investors as outlined in the relevant Governing Documents and may accept lower subscription amounts than any such minimum in the sole discretion of ORIX Advisers or the general partner of such pooled investment vehicle, including to employees, affiliates (including ORIX USA), affiliated employees, the family members of its employees or affiliated employees and Operating Advisers (as defined below).

#### **Item 8.           Methods of Analysis, Investment Strategies, and Risk of Loss**

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The following is a summary of (i) the strategies and methods ORIX Advisers uses in formulating advice or managing assets (and their material risks) and (ii) the material risks associated with the types of investments that ORIX Advisers primarily recommends to and selects for the Investment Advisory Accounts. Further information will be set forth in detail in the Governing Documents of each Investment Advisory Account.

The investment strategies employed by ORIX Advisers subject an Investment Advisory Account to various risks that an investor should be prepared to bear, including the loss of some or all of their investment. Investing in any Investment Advisory Account involves the risk that such Investment Advisory Account does not achieve its investment objectives. An Investment Advisory Account value can vary based on market fluctuations caused by such factors as economic and political developments, changes in interest rates, and perceived trends in security prices.

#### **Investment Strategies of the ORIX Advisers' Private Equity Investment Team, OCP**

OCP's investment strategy generally seeks to generate returns by making direct equity investments (or potentially debt investments) that support growth and performance among established middle-market, privately-held operating companies principally located in, or with a significance presence or operations in, North America, and in opportunistic special situations, with a view to funding company operations with equity capital and debt, which may or may not include an affiliate of ORIX Advisers including ORIX USA (now or in the past) providing such debt financing. ORIX Advisers may make additional, follow-on investments in a Portfolio Investment, with the intent to preserve, protect or enhance the value of the Portfolio Investment. Generally, ORIX Advisers has the right, but not the obligation, to offer co-investment opportunities to one or more OCP Fund investors, certain ORIX Advisers investment personnel and certain advisers to ORIX Advisers, in ORIX Advisers' sole discretion.

OCP's investment strategy entails using leverage to acquire controlling interests in the operating companies. While ORIX Advisers evaluates the potential downside of the company operations, if a leveraged operating company is unable to generate adequate cash flow to service the debt, the company could be forced into liquidation, or other events could occur that would adversely affect the investments. ORIX Advisers OCP strategy generally involves having a multi-year view of potential value creation in its investments. Accordingly, ORIX Advisers invests in these companies on behalf of OCP Clients with the expectation of being able to grow corporate value over time, resulting in a profitable sale of the company after several years. If the company is unable to grow cash flow or improve certain other key measures of performance, this strategy may be unsuccessful. ORIX Advisers OCP strategy may also depend on a robust mergers and acquisitions market for this strategy to be successful.

### **Investment Strategies of the ORIX Advisers' Leveraged Credit Investment Team, Signal Peak**

Signal Peak's investment strategy is to invest in portfolios of broadly syndicated leveraged loans and high-yield bonds, collateralized loan obligation liabilities and residual notes where it seeks to generate returns over a finite life through a combination of high current income and capital appreciation. Signal Peak focuses on purchasing US dollar denominated loans consisting primarily of senior secured loans, and on a limited basis certain second lien loans or unsecured loans (including, but not limited to, interests in bank loans acquired by way of a purchase agreement or assignment) or participation interest therein. In general, Signal Peak invests in senior secured loans which have a priority first or second lien on all assets of the borrower and are typically the first creditors to be paid. On occasion, they may also acquire a limited number of credit facilities that require future payments as well. Collateral obligations must meet certain specific quality tests, such as credit ratings, each of which is laid out specifically in a Securitized Vehicle's Governing Documents.

In order to manage its portfolio of loans effectively, Signal Peak utilizes an on-going surveillance process with a multi-layered approach that attempts to identify issues and develop risk mitigation efforts for each Signal Peak Client. Signal Peak also uses a proprietary risk rating system for all positions to manage portfolio and credit specific risks as well as resource allocation.

### **Method of Analysis**

ORIX Advisers' process for evaluating potential private equity opportunities, broadly syndicated loans, and other investments may include a variety of proprietary and non-proprietary research and methods of analyses, and a variety of both internal and external resources, such as third parties engaged to assist ORIX Advisers in sourcing and evaluating new transactions, research and reports provided by third parties and corporate ratings services, and financial newspapers and magazines.

### **Material Risks Relating to ORIX Advisers' Investment Strategies**

The following is a description of some important risks associated with the investment strategies that ORIX Advisers and its investment teams employ. The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in, or made by, an Investment Advisory Account. These risk factors include those risks that ORIX Advisers believes to be material or significant and relate to particular significant investment strategies or methods of analysis employed by ORIX Advisers and its investment teams. Prospective clients and Investment Advisory Account investors are advised to review applicable Governing Documents for a more extensive description of the risks of investing in the applicable Investment Advisory Account.

**Political, Social and Economic Uncertainty Risks.** Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that create uncertainty and have significant impacts on issuers, industries, governments and other systems, including the financial markets, to which Investment Advisory Accounts or obligors are exposed. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets, including in established markets such as the United States. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. Uncertainty can result in or coincide with, among other things: increased volatility in the loan, securities, derivatives and currency markets; a decrease in the reliability of market prices and difficulty in valuing assets (including private companies, broadly syndicated loans and other interests held by the

Investment Advisory Accounts); greater fluctuations in spreads on debt investments; increased risk of default (by both government and private obligors and issuers); further social, economic, and political instability; nationalization of private enterprise; greater governmental involvement in the economy or in social factors that impact the economy; changes to governmental regulation and supervision of the loan, securities, derivatives and currency markets and market participants and decreased or revised monitoring of such markets by governments or self-regulatory organizations and reduced enforcement of regulations; limitations on the activities of investors in such markets; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital; the significant loss of liquidity and the inability to purchase, sell and otherwise fund investments or clear and settle transactions (including, but not limited to, a market freeze); substantial, and in some periods extremely high, rates of inflation, which can last many years and have substantial negative effects on credit and securities markets as well as the economy as a whole; recessions; and difficulties in obtaining and/or enforcing legal judgments. For example, in late 2019 and 2020, the novel coronavirus (SARS-CoV-2) and related respiratory disease (COVID-19) emerged in China and spread rapidly across the world, including to the United States. This outbreak has led and for an unknown period of time will continue to lead to disruptions in local, regional, national and global markets and economies affected thereby. With respect to the market for investments, this outbreak has resulted in, and until fully resolved is likely to continue to result in, the following among other things: (1) government imposition of various forms of “stay at home” orders and the closing of “non-essential” businesses resulting in significant disruption to the businesses of Portfolio Investments and many loan borrowers including both supply chains and demand, and in layoffs of employees, which effects are hoped to be temporary but could be permanent for some of these businesses; (2) increased draws by borrowers on revolving lines of credit; (3) increased requests by borrowers for amendments and waivers of their credit agreements to avoid default, increased defaults by such borrowers and/or increased difficulty in obtaining refinancing at the maturity dates of their loans; (4) volatility and disruption of the loan market including greater volatility in pricing and spreads and difficulty in valuing loans during periods of increased volatility, and liquidity issues; and (5) rapidly evolving proposals and/or actions by state and federal governments to address problems being experienced by the markets and by businesses and the economy in general which may or may not adequately address the problems facing middle market businesses and the loan market. This outbreak is having, and any future outbreaks could have, an adverse impact on the private equity, the loan market and the economy in general, which could have a material adverse impact on, among other things, the ability of ORIX Advisers to make Portfolio Investments as well as loans in general, on the volume and type of loans held for investment or for sale thereby, and on the volume and type of amendments and waivers granted to borrowers and remedial actions taken in the event of a borrower default, each of which could negatively impact the amount of loans available to Investment Advisory Accounts and returns to Investment Advisory Accounts, among other things. ORIX Advisers may be impacted in its ability to source investments, which could negatively impact the amount of investments available to the OCP Fund and the returns to OCP Fund investors, among other things. As of the date of this Brochure, it is impossible to determine the scope of this outbreak, or any future outbreaks, how long any such outbreak, market disruption or uncertainties will last, the effect any governmental actions will have or the full potential impact on borrowers, portfolio companies, ORIX Advisers, and the Investment Advisory Accounts. Although it is impossible to predict the precise nature and consequences of these events, or of any political or policy decisions and regulatory changes occasioned by emerging events or uncertainty on applicable laws or regulations that impact Investment Advisory Accounts’ investments, it is clear that these types of events are and will impact Investment Advisory Accounts, their portfolio companies and borrowers and in many instances will be negatively impacted. Investment Advisory Accounts will be impacted if, among other things, (1) amendments and waivers are granted (or are required to be granted) to borrowers permitting deferral of loan payments, (2) borrowers default on their loans, are unable to refinance their loans at maturity, or go out of business

permanently, (3) the value of loans held by Investment Advisory Accounts decrease as a result of such events and the uncertainty they cause and/or (4) portfolio companies businesses' are shutdown. There can be no assurance that such emerging events will not cause an Investment Advisory Account to suffer a loss of any or all of its investments or interest thereon. Investment Advisory Accounts will also be negatively affected if the operations and effectiveness of ORIX USA, ORIX Advisers, portfolio companies, borrowers or their key personnel or service providers are compromised or if necessary beneficial systems and processes are disrupted. Each of the Risks of Loss in this Item 8 of this Brochure is subject to these Political, Social and Economic Uncertainty Risks, and should be reviewed and analyzed in light thereof.

#### *General Risks*

Limited Operating History. Although ORIX Advisers' investment teams have had prior experience, both together and separately, relating to the acquisition and financing of private companies, loans, and in investments similar to those to be made by Investment Advisory Accounts, neither ORIX Advisers nor certain of its Investment Advisory Accounts such as the OCP Fund have a long operating history upon which an evaluation of their prospects can be made.

In addition, prior to July 15, 2020, ORIX USA held a majority equity interest in MIG Holdings, LLC ("MIG Holdings"), the parent company of Mariner Investment Group, LLC ("Mariner"), an investment adviser that previously managed the Signal Peak Clients. On July 15, 2020, ORIX sold its interest in MIG Holdings to certain of the managers and minority equity holders of Mariner and MIG Holdings. In connection with the transaction, ORIX retained certain portions of Mariner's business, including the Leveraged Loan team that previously managed the Mariner CLO business and which currently makes up the Signal Peak investment team. The investment management and asset management agreements for the Signal Peak Clients which were previously managed by Mariner were assigned to ORIX Advisers. Mariner is no longer involved in the management of the Signal Peak Clients. The Signal Peak investment team is a newly formed investment team within ORIX Advisers and there can be no assurance that ORIX Advisers will have the same level of skill as Mariner. Further, while certain key personnel involved in Mariner's CLO business have moved from Mariner to ORIX Advisers, Mariner has retained certain other personnel and there can be no assurance that the key personnel who moved to ORIX Advisers will continue on in the same capacity that such key personnel served at Mariner. ORIX Advisers has entered into a transition services agreement with Mariner whereby Mariner will continue to provide certain services to the Signal Peak team and the Signal Peak Clients for a period of time following the closing of the transaction. However there can be no assurance that the services will be of the same quality as provided prior to the closing of the transaction.

Risks of Investments Generally. All investments in securities entail a significant degree of risk, including the risk of complete loss; and, therefore, should be undertaken only by investors capable of evaluating the risks associated with the investment and bearing the risks of such investments. Additional risks and uncertainties, including those not currently known to ORIX Advisers or that ORIX Advisers currently believes to be immaterial, may also materially and adversely affect ORIX Advisers' investment strategies and the value of investments. Past performance of any security is not necessarily indicative of future results. Therefore, investors should not assume that future performance of any specific investment or investment strategy will be profitable. ORIX Advisers does not provide any representation or guarantee that investors' goals will be achieved. Depending on the different types of investments, there may be varying degrees of risk.

No guarantee or representation is made that any Investment Advisory Account or its related investment programs or strategies will be successful. ORIX Advisers' investment objective for the Investment Advisory Accounts is to create significant capital appreciation or interest income. For defensive and other purposes,

Investment Advisory Accounts may invest in cash equivalents, money market funds, U.S. Treasury bonds and similar instruments, and/or purchase or enter into hedging instruments. The Investment Advisory Accounts' investment programs or strategies may involve, without limitation, risks associated with no or limited diversification and high concentration, leverage, investments in speculative assets and the use of speculative investment strategies and techniques, systems risks and other inherent risks. Certain investment techniques (e.g. use of direct leverage or indirectly through leveraged investments) can, in certain circumstances, magnify the impact of adverse market moves to which the Investment Advisory Accounts could be subject. ORIX Advisers does not intend to attempt to minimize such risks for Investment Advisory Accounts and may not manage risk in the traditional sense. ORIX Advisers' efforts and methods of seeking to minimize such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

General Economic and Market Conditions. The success of the Investment Advisory Accounts' activities can be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Investment Advisory Accounts' investments), trade barriers, currency exchange controls, national regulation and changes in laws and rules, and national and international political circumstances (including wars, terrorist acts or security operations). In addition, there is a risk of market disruptions resulting from certain events (e.g., power outages, terrorist attacks, military action, pandemics, or economic and diplomatic sanctions) which could affect the Investment Advisory Accounts' investment activities and performance. These factors can affect the level and volatility of securities prices and the liquidity of Investment Advisory Accounts' investments. Unexpected volatility or illiquidity could impair the profitability or result in losses. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instrument futures and options. Such intervention often is intended directly to influence prices and can, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Investment Advisory Accounts' portfolios are not necessarily designed to benefit from market volatility and can lose value in times of volatility or directly due to market volatility.

Potential Loss of Capital. Investments are exposed to the risk of the loss of capital; investors may lose all, or substantially all, of their investment. The prices of such securities or instruments in which Investment Advisory Accounts may invest may be volatile. No guarantee or representation is made that an Investment Advisory Account's investment strategy will be successful. In addition, ORIX Advisers may utilize, on behalf of an Investment Advisory Account, such investment techniques as investments in non-marketable securities, and a non-diversified, highly concentrated portfolio, among others, which could, under certain circumstances, magnify the impact of any adverse market or investment developments.

Exposure to Material Non-Public Information. From time to time, ORIX Advisers could receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, the Investment Advisory Accounts may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

Investment Analysis. When assessing the investment opportunities, ORIX Advisers will rely on resources that may provide limited or incomplete information. In particular, ORIX Advisers may rely on publicly available information and data filed with various government regulators. Although ORIX Advisers expects that it will evaluate information and data as ORIX Advisers deems appropriate and will seek independent

corroboration when reasonably available, ORIX Advisers will not evaluate all publicly available information and data and will not be in a position to confirm the completeness, genuineness or accuracy of the information and data that it will evaluate. As a result, there can be no assurance that the due diligence exercise carried out by ORIX Advisers will reveal or highlight all relevant facts that may be necessary or helpful in evaluating the investment opportunities. Any failure to have identified the relevant facts may result in an inappropriate investment decision, which may have a material adverse effect on the value of any investment in, or made by, an Investment Advisory Account.

Litigation. ORIX Advisers, its Investment Advisory Accounts, and perhaps certain of their investors may be a party to lawsuits initiated by third parties, including a portfolio company, other shareholders or governmental bodies. There can be no assurance that any litigation, once begun, will be resolved in favor of the Investment Advisory Account. As a result, an Investment Advisory Account may be exposed to the risk of monetary damages and other sanctions or remedies. In addition, ORIX Advisers may be subject from time to time to formal or informal investigations or inquiries by the SEC and other governmental and self-regulatory organizations in connection with its activities. Litigation and regulatory investigations may require significant amounts of ORIX Advisers' time, and the expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by Investment Advisory Accounts and would reduce net assets or could require Investment Advisory Account investors to return distributed capital and earnings.

Devotion of Time and Attention. Subject to any key person devotion of time obligations included in an Investment Advisory Account's Governing Documents, ORIX Advisers' investment professionals will devote such time and effort in conducting activities on behalf of each Investment Advisory Account as ORIX Advisers reasonably determines is appropriate to perform its duties to such Investment Advisory Account. It is possible that such time and attention to a particular Investment Advisory Account will be insufficient to adequately manage the affairs of such Investment Advisory Account, and investment returns for such Investment Advisory Account may suffer as a result of this. It is also possible that comparatively more time and attention will be devoted to a different Investment Advisory Account depending on business needs of such Investment Advisory Account. As a result, the investment returns of such Investment Advisory Account may suffer as compared to the other Investment Advisory Accounts which receive more time and attention.

Competition; Availability of Investments. The markets in which Investment Advisory Accounts invest are competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that ORIX Advisers will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. Competitive investment activity by other firms and institutions will reduce an Investment Advisory Account's opportunity for profit by generally increasing price pressure on desired assets, reducing mis-pricings in the market as well as the margins available on those mis-pricings that can still be identified.

Market Crisis and Governmental Intervention. The global financial markets have undergone pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention was in certain cases implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions was suddenly and/or substantially eliminated. In addition, as one would expect given the complexities of the global financial markets and the limited time frame within which governments were able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself was materially

detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

The United States Federal Reserve and non-U.S. governments have taken significant and historic steps to intervene in the financial markets. Future government interventions can lead to a change in valuations of securities that is detrimental to the Investment Advisory Accounts' investments. Government intervention is subject to inherent uncertainties relating to prevailing economic conditions and political considerations.

ORIX Advisers believes that it is possible that emergency intervention will likely take place again in the future and that the regulation of financial markets is likely to be increased in the future. It is impossible to predict the impact of any such intervention and/or increased regulation on the performance of the Investment Advisory Accounts or the fulfillment of their investment objective.

Government Response to COVID-19. Various U.S. state and federal regulatory authorities have recently implemented, or are considering the implementation of, policies, orders or similar regulatory actions encouraging or requiring financial institutions and other regulated financial market participants to provide debt forbearance or other forms of debt relief to borrowers or other debtors as a result of adverse economic conditions or other adverse conditions affecting such debtors. In response to the global pandemic, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law and provides more than \$2 trillion of U.S. federal economic relief to businesses, governmental entities, and individuals affected by COVID-19. In particular, the CARES Act provides for loans and other credit support for small businesses and certain other eligible businesses, states and municipalities. In addition, the Federal Reserve Board announced on March 23, 2020 that it will establish the Term Asset-Backed Securities Loan Facility (known as "TALF 2020") to support the issuance of certain eligible asset-backed securities, and state and federal banking regulators have issued policy statements and guidance regarding provision of loan forbearance and related actions by their regulated financial institutions. The full effects of legal and regulatory actions that have been or may be taken in response to the global health pandemic (including, without limitation, the scope or duration thereof) is not known at this time.

Market Disruption. The Investment Advisory Accounts could incur major losses in the event of disrupted markets, and other extraordinary events may not be consistent with historical pricing relationships (on which ORIX Advisers bases a number of its trading positions). The risk of loss from a disconnect from historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available from ORIX Advisers' banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction could result in substantial losses to Investment Advisory Accounts. In 1994, in 1998 and again in the so-called "credit crisis" of 2008, a sudden restriction of credit by the dealer community resulted in forced liquidations and major losses for a number of private investment funds. In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Institutional Risk. The institutions, including brokerage firms and banks, with which the Investment Advisory Accounts will trade or invest, may encounter financial difficulties that impair the operational capabilities or the capital position of the Investment Advisory Accounts. In addition to the risk of a counterparty or broker defaulting, there also is the risk that major institutional investors could be compelled to withdraw from the Investment Advisory Accounts or their counterparties or brokers will be

required to restrict the amount of credit previously granted due to their own financial difficulties, resulting in forced liquidation of substantial portions of the portfolios.

Cybersecurity Risk. The computer systems, networks and devices used by ORIX Advisers, the Investment Advisory Accounts and their respective service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failure, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks or devices potentially can be breached. ORIX Advisers, the Investment Advisory Accounts and the investors in such Investment Advisory Accounts could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include: unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes, or website access or functionality. Other incidents, such as user errors, power outages and catastrophic events such as fires, floods, hurricanes and earthquakes, may also result in cybersecurity breaches. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to the Investment Advisory Accounts; impediments to trading; the inability of ORIX Advisers and other service providers to transact business; violations of applicable privacy and other laws (including the release of private investor information); regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which the Investment Advisory Accounts invest; counterparties with which the Investment Advisory Accounts engage in transactions; governmental and regulatory authorities; exchange and other financial market operators; and other persons with which the Investment Advisory Accounts, ORIX Advisers or one of their respective service providers does business. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Legal and Regulatory Risk. Changes in US federal, state and local laws and regulations can occur at any time and include the adoption of new laws and regulations, and the amendment or repeal of existing laws and regulations by governmental regulatory authorities and self-regulatory organizations (such as the SEC, the US Commodity Futures Trading Commission, the Internal Revenue Service, the US Federal Reserve and the Financial Industry Regulatory Authority). Changes in laws and regulations may adversely impact the investments held in Investment Advisory Accounts.

Interpretation of the Governing Documents. The Governing Documents are detailed agreements that establish complex arrangements among the investors, Investment Advisory Accounts, general partners, ORIX Advisers and other entities and individuals. Questions will arise from time to time under these documents regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the Documents' drafting and execution. In these instances, the operative provisions of the Documents, if any, may permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While the relevant Governing Documents will be construed in good faith and in a manner consistent with applicable legal and fiduciary obligations, the interpretations adopted will not necessarily be, and need not be, the interpretations that are the most favorable to the Investment Advisory Accounts or the investors.

### *Risks Relating to the Investment Strategy of the OCP Fund*

Portfolio Company Affairs. On behalf of an OCP Client, ORIX Advisers may participate substantially in, or influence the conduct of, the affairs or management of a portfolio company, which may result in the OCP Client's inability to purchase or sell the securities of such portfolio company. Partners, officers, managers, employees, consultants, Operating Advisers or affiliates of ORIX Advisers and its affiliates or designees may serve as directors of, or in a similar capacity with, a portfolio company. In the event that material non-public information is obtained with respect to a portfolio company, or an OCP Client becomes subject to trading restrictions pursuant to the internal trading policies of a portfolio company, or as a result of applicable law or regulations, the OCP Client may be prohibited for a period of time from purchasing or selling the securities of a portfolio company, and as a result be prevented from increasing its exposure (or maintaining its relative ownership stake, in the case additional securities are issued by such portfolio company) to an investment position which appreciates, or divesting from or exiting an investment position which decreases in value. Serving in such capacities will also create a conflict of interest in connection with the simultaneous fiduciary duties owed to the OCP Client and to the portfolio company. Any such restrictions may have a significant adverse effect on the OCP Client and the value of any investment in, or made by, the OCP Client.

Restrictions on Transfer or Withdrawal. Interests in the OCP Fund represent highly illiquid investments and should be acquired only by investors able to commit their funds for an indefinite period of time. Investors generally will not be permitted to transfer an interest in the OCP Fund without the consent of the OCP General Partner. The transferability of interests in the OCP Fund will be subject to certain restrictions contained in the Governing Documents and may be affected by restrictions on resales imposed under federal and state securities laws. A public market is not expected to develop for the OCP Fund. Investors in the OCP Fund may not withdraw capital from the OCP Fund. Consequently, an investor may not be able to liquidate its investment in the OCP Fund prior to the completion of the winding up of the OCP Fund.

Highly Concentrated Investment. In pursuit of its investment strategy, ORIX Advisers invests nearly all of the OCP Fund's capital in securities issued by a limited number of portfolio companies. Therefore, the OCP Fund may be much more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of such company (for instance, conditions affecting the global market, conditions affecting the sector in which such company operates or the geographic area in which its activity are focused) than a less concentrated and leveraged portfolio would be. Any such investment technique may increase the volatility of investment results over time. Additionally, a decline in the value of the securities of such company could have a material adverse impact on the OCP Fund's assets, and, in turn, the value of any investment in, or made by, the OCP Fund.

Control of a Portfolio Company. The OCP Fund may take a controlling stake in a Portfolio Investment. This may involve a number of risks, such as the risk of liability for environmental damage, product defect, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability characteristic of business operations may be ignored. In addition, in connection with the disposition of the investment in such Portfolio Investment, the OCP Fund may make representations and warranties about such Portfolio Investments' business and financial affairs typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities law. The OCP Fund may also be required to indemnify the purchasers of the investment in the Portfolio Investment or underwriters, including ORIX Advisers' affiliates to the extent that any such representations and warranties or disclosure documents turn out to

be incorrect, inaccurate or misleading. All of these risks or arrangements may create contingent or actual liabilities and materially affect the OCP Fund and any investment in, or made by, the OCP Fund.

Valuation. Most of the securities that the OCP Fund will own are not publicly traded and are required to be fair-valued by ORIX Advisers. The OCP General Partner and ORIX Advisers engage qualified valuation professionals to assist in this determination. When estimating fair value, ORIX Advisers will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Given the nature of the Portfolio Investments, valuation may be difficult. There may be a relative scarcity of comparable investments on which to base the value of the OCP Fund's assets. As such, any such valuations may be speculative and may not reflect the true value of the investment.

Litigation Risk Specific to OCP Fund. The OCP General Partner and OCP Fund are subject to specific litigation risks including litigation against the members of the board of directors of a Portfolio Investment (which may include employees or agents of ORIX Advisers or OCP General Partner), litigation by shareholders or debt holders of Portfolio Investments and litigation with counterparties to transactions entered into by Portfolio Investments, the OCP Fund, the OCP General Partner or ORIX Advisers. The OCP General Partner and ORIX Advisers are also exposed to risks of litigation or investigation in the event of any transactions that presented conflicts of interest that were not properly addressed. While the OCP General Partner and ORIX Advisers, including their partners, members, officers, employees and affiliates, are generally indemnified to the fullest extent permitted by law by the OCP Fund with respect to their conduct in connection with the management of the business and affairs of the OCP Fund, such indemnity generally does not extend to claims resulting from (i) any act or omission constituting gross negligence, fraud, willful misconduct, material violation of U.S. federal or state securities laws or regulations, or bad faith or (ii) a material uncured breach of the terms of the OCP Fund's Governing Documents. If any lawsuit resulted in a finding of substantial legal liability, the lawsuit could materially adversely affect the business, financial condition or results of operations of the OCP General Partner, ORIX Advisers and the OCP Fund or cause significant reputational harm, which could seriously impact their business.

Trading and Investing Affiliates. ORIX Advisers may effect certain investments for the OCP Fund through limited partnerships, limited liability companies, corporations or other vehicles sponsored or managed by ORIX Advisers or third parties. A creditor having a claim that relates to a particular investment held by any such vehicle may be able to satisfy such claim against all assets of such vehicle, without regard to the participation rights of the OCP Fund and other investors of such vehicle in the assets of such vehicle.

Negative Impact of Multiple Series. Depending on the timing and size of investments by different series of the OCP Fund ("Series"), situations may arise where ORIX Advisers' investment decision for one Series could potentially negatively affect other Series or the OCP Fund overall. Notwithstanding the foregoing, no Limited Partner will bear any costs or liabilities relating to any Portfolio Investments or Series in which it does not participate (or any OCP Fund Subsidiaries of such Series).

Uncertain Exit Strategies. Due to the potentially illiquid nature of the positions (taking into account such factors as "trading windows") that the OCP Fund is expected to acquire, ORIX Advisers is unable to predict with confidence what the exit strategy will ultimately be for any given investment. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

Leverage. ORIX Advisers may lever the OCP Fund's assets through various types of financings. While leverage presents opportunities for increasing total return, it will have the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by the OCP Fund

would be magnified to the extent it is leveraged. The cumulative effect of the OCP Fund's use of leverage in a market that moves adversely to the OCP Fund's investments could result in a substantial loss to the OCP Fund, which would be greater than if the OCP Fund's investments were not leveraged. Leverage will increase the OCP Fund's exposure to adverse economic factors such as significantly rising interest rates, severe economic downturns or deterioration in the condition of the OCP Fund's investments or their corresponding markets. In addition, recourse debt, which the OCP Fund may reserve the right to obtain, may subject other assets of the OCP Fund and its investor's investments to risk of loss.

Deterioration of the Credit Market. A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions (*e.g.*, due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders) could impair, potentially materially, the OCP Fund's ability to consummate or profit from existing or future Portfolio Investments. More specifically, the ability of any Portfolio Investment to finance or refinance its debt securities could depend on its ability to sell new securities in the high-yield debt or bank financing markets. Adverse changes in economic or financial market conditions similar to those that occurred in past years, such as the failure of certain U.S. financial services companies and a significant rise in market perception of counterparty default risk, could lead to the deterioration of the global credit markets (particularly the U.S. credit markets) and would make it difficult for sponsors to obtain favorable financing for investments. The reoccurrence of such marketplace events would significantly reduce investor demand and liquidity for investment grade, high-yield and senior bank debt, which in turn would lead some investment banks and other lenders to be unwilling or significantly less willing to finance new investments, or to only offer committed financing for investments on relatively unfavorable terms. In addition, to the extent such marketplace events reoccur, they would have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies.

In addition, the reoccurrence of an economic downturn could adversely affect the financial resources of the OCP Fund's Portfolio Investments and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the OCP Fund could lose both invested capital in and anticipated profits from affected Portfolio Investments. Such a marketplace would likely impair the OCP Fund's ability to consummate certain transactions or cause the Fund to enter into certain transactions on less attractive terms. The OCP Fund's ability to generate attractive investment returns for its investors could be adversely affected to the extent its Portfolio Investments are unable to obtain favorable financing terms for their investments.

#### *Risks Relating to the Investment Strategy of the Signal Peak Clients*

Debt Instruments Generally. Certain Signal Peak Clients might invest in private debt securities and instruments. It is likely that many of the debt instruments in which the Signal Peak Clients invest could be unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments might face significant ongoing uncertainties and exposure to adverse conditions that could undermine the issuer's ability to make timely payment of interest and principal. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular types of collateral obligations. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the

issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

Investing in Loans Involves Particular Risks. The risks of loans include (among others): (i) limited liquidity and secondary market support; (ii) the possibility that earnings of the obligor may be insufficient to meet its debt service; (iii) the declining creditworthiness and potential for insolvency of the borrower of the loan during period of economic downturn; (iv) the obligor can be a small or mid-size company representing only local or regional interests; (v) the possibility of a reduction in the spread over the applicable floating rate index if the borrower reduces its leverage; (vi) prepayment (reinvestment risk); and (vii) if subordinated, subordination to the prior claims of other loans or senior lenders. Loans are generally subject to market value volatility that may not be apparent from historical volatility studies and that could be significant at times. An economic downturn could severely disrupt the market for loans and adversely affect the value of outstanding loans and the ability of the borrowers to repay principal and interest.

The default history for loans is limited, actual defaults may be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations. Investments in loans are also subject to interest rate risk and reinvestment risk. Prepayments of loans in a Signal Peak Client's portfolio are likely to be made during any periods of declining interest rates. Prepayments would force the Signal Peak Client to replace such loans with lower-yielding investments. Furthermore, loans typically provide that the applicable interest rate may be computed by reference to any of several base indices, at the option of the obligor. The interest rates of the secured notes generally are calculated by reference to three-month LIBOR as an index.

In addition to credit risk, corporate loans rated below investment-grade generally have greater liquidity, market value, interest rate, reinvestment and certain other risks than securities of higher-rated corporate issuers. These risks could be exacerbated to the extent that a portfolio is concentrated in one or more particular types of loans. Prices of the loans may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of the loans. The current uncertainty affecting the United States economy and the economies of other countries in which issuers of collateral obligations are domiciled or operate and the possibility of increased volatility in financial markets could adversely affect the value and performance of the collateral obligations. Additionally, loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the loan market has been small relative to the debt securities market. Future periods of uncertainty in the U.S. economy and the possibility of increased volatility and default rates in the non-investment grade sector may further adversely affect the price and liquidity of non-investment grade loans in this market.

Obligor of below investment-grade loans may be highly leveraged and may not have available to them more traditional methods of financing. During an economic downturn, a sustained period of rising interest rates, or a period of fluctuating exchange rates (in respect of those obligors located in non-U.S. countries), such obligors may be more likely to experience financial stress and may be unable to meet their debt obligations due to the obligors' inability to meet specific projected business forecasts or the unavailability

of financing. Leveraged loans have historically experienced greater default rates than has been the case for investment grade securities.

A non-investment grade loan or other debt obligation or an interest in a non-investment grade loan or other debt obligation is generally considered speculative in nature and may become a defaulted obligation for a variety of reasons. A defaulted obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted obligation. Such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted obligation. In addition, because of provisions on confidentiality of information, the unique and customized nature of a loan and the private syndication of a loan, certain loans may not be purchased or sold as easily as publicly traded securities, and historically the trading volume in the loan market has been small relative to the market for corporate bonds. The unique nature of loan documentation also creates a complexity in negotiating any secondary market purchase or sale which does not exist, for example, in the corporate bond market. It is highly unlikely the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. In addition, the issuer may incur additional expenses to the extent it is required to seek recovery upon a default or to participate in the restructuring of a loan.

Fraud. Of paramount concern in certain types of investments (e.g., loan investments) is the possibility of material misrepresentation or omission on the part of the borrower or loan seller. Such inaccuracy or incompleteness could adversely affect the valuation of the collateral underlying the loans or adversely affect the ability of the Signal Peak Client to perfect or effectuate a lien on the collateral securing the loan. In certain instances, ORIX Advisers and/or the Signal Peak Clients will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Signal Peak Clients might be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Risks Associated with Loan Participations and Loan Assignments. Signal Peak Clients may acquire interests in loans either directly (by way of assignment from the selling institution) or indirectly (by purchasing a participation interest from the selling institution). Loans are not generally traded on established trading exchanges by banks and other institutional investors engaged in syndications and loan participations, respectively. Consequently, there can be no assurance that there will be any market for any loan if Signal Peak desires or is required to sell or otherwise dispose of such loan. Depending on the terms of the underlying loan documentation, consent of the obligor may be required for an assignment, and a purported assignee may not have any direct right to enforce compliance by the obligor with the terms of the loan agreement in the absence of this consent. As described in more detail below, holders of participation interests are subject to additional risks not applicable to a holder of a direct interest in a loan.

Participations by a Signal Peak Client in a selling institution's portion of a loan typically result in a contractual relationship only with such selling institution, not with the borrower. In the case of a participation interest, the Account will generally have the right to receive payments of principal, interest and any fees to which it is entitled only from the institution selling the participation and only upon receipt by such selling institution of such payments from the borrower. By holding a participation interest in a loan, the Signal Peak Client generally will have no right to enforce compliance by the borrower with the

terms of the loan agreement, nor any rights of set off against the borrower, and the Account may not directly benefit from the collateral supporting the loan in which it has purchased the participation. As a result, the Account will assume the credit risk of both the borrower and the institution selling the participation, which will remain the legal owner of record of the applicable loan. In the event of the insolvency of the selling institution, the Issuer, by owning a Participation Interest, may be treated as a general unsecured creditor of the selling institution, and may not benefit from any set off between the selling institution and the borrower. In addition, the Signal Peak Client may purchase a participation from a selling institution that does not itself retain any portion of the applicable loan and, therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower. When the Signal Peak Client holds a participation interest in a loan, it will not have the right to vote under the applicable loan agreement with respect to every matter that arises thereunder, and it is expected that each selling institution will reserve the right to administer the loan sold by it as it sees fit and to amend the documentation evidencing such loan in all respects. Selling institutions voting in connection with such matters may have interests different from those of the Signal Peak Client and may fail to consider the interests of the Signal Peak Client in connection with their votes.

Certain of the loans or participation interests may be governed by the law of a jurisdiction other than a United States jurisdiction. The Signal Peak Client is unable to provide any information with respect to the risks associated with purchasing a loan or a participation interest under an agreement governed by the laws of a jurisdiction other than a United States jurisdiction, including characterization under such laws of such participation interest or sub-participation interest in the event of the insolvency of the institution from whom the Signal Peak Client purchases such participation interest or sub-participation interest or the insolvency of the institution from whom the grantor of the sub-participation interest purchased its participation interest.

The purchaser of an assignment of an interest in a loan typically succeeds to all the rights and obligations of the assigning selling institution and becomes a lender under the loan agreement with respect to that loan. As a purchaser of an assignment, the Signal Peak Client generally will have the same voting rights as other lenders under the applicable loan agreement, including the right to vote to waive enforcement of breaches of covenants or to enforce compliance by the borrower with the terms of the loan agreement, and the right to set off claims against the borrower and to have recourse to collateral supporting the loan. Assignments are, however, arranged through private negotiations between assignees and assignors, and in certain cases the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning selling institution.

Assignments and participations are sold strictly without recourse to the selling institutions, and the selling institutions will generally make no representations or warranties about the underlying loan, the borrowers, the documentation of the loans or any collateral securing the loans. In addition, the Signal Peak Client will be bound by provisions of the underlying loan agreements, if any, that require the preservation of the confidentiality of information provided by the borrower. Because of certain factors including confidentiality provisions, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not purchased or sold as easily as are publicly traded securities.

Non-performing Nature of Debt. It is anticipated that certain debt instruments the Signal Peak Clients might purchase will be non-performing and possibly in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to these instruments.

Limited Diversification. In the normal course of making investments on behalf of Signal Peak Clients, ORIX Advisers may be concentrated in a limited number or type of financial instruments or assets. Such concentration of risk can increase the losses suffered by the Signal Peak Clients or reduce their ability to hedge their exposure and to dispose of depreciating assets. Limited diversity could expose the Signal Peak Clients to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments or assets. In the Signal Peak Clients that are concentrated in a limited number or type of financial instruments, the overall adverse impact on the Signal Peak Clients of adverse movements in the value of their portfolios will be considerably greater than if the Signal Peak Clients were not concentrated their investments in such manner.

General Risks of CDO and CLO Investments. The underlying portfolio assets of the related Collateral Debt Obligations (“CDOs”) or Collateral Loan Obligations (“CLOs”) (“CDO/CLO Collateral”) may consist of high yield debt securities, loans, and other instruments, which often are rated below investment grade (or of equivalent credit quality). The value of the CDOs and CLOs owned by the Investment Advisory Accounts generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the CDO/CLO Collateral, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. The lower ratings of high yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest. If distributions from the CLO Collateral are insufficient to make payments on the CLO tranches, no other assets will be available for payment of the deficiency and following liquidation of the CLO tranches, the obligations of such issuer to pay such deficiency will be extinguished. In addition, the lack of an established, liquid secondary market for some CDOs and CLOs (CDO and CLO equity securities in particular) may have an adverse effect on the market value of those CDOs or CLOs (as applicable) and will in most cases make it difficult to dispose of such CDOs or CLOs at market or near-market prices.

Leverage Risk. A Signal Peak Client’s investment in CLOs may involve significant leverage. Leverage is embedded in all classes of a CLO other than the most senior tranche, with the highest leverage applicable to an investment by a Signal Peak Client in CLO equity securities. While the leverage presents opportunities for increasing a Signal Peak Client’s total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment in a CLO would be magnified to the extent that a CLO security is leveraged. The cumulative effect of the use of leverage by a CLO in a market that moves adversely to the CLO’s investments could result in a substantial loss to the investor in the CLO with the greatest loss applicable to the equity securities issued by the CLO vehicle. When a Signal Peak Client invests by entering into a credit derivative transaction, leverage often will be embedded in such transaction as well, which can expose the Signal Peak Client to a greater risk of loss.

Interest Rate Mismatch. CLOs may be subject to interest rate risk. Some of the CLO Collateral of an issuer of a CLO may bear a floating rate with a LIBOR floor (i.e. a fixed rate until the floor is breached), while the CLO liability typically bears interest at a floating rate with no LIBOR floor. As a result, there could be a floating/fixed rate mismatch between such various tranches of the CLO and the CLO Collateral. As a result of such mismatches, an increase or decrease in the level of the floating rate indices could adversely impact the ability of a CLO to make payments on such a CLO tranche.

Illiquidity. In recent years, the CDOs (including CLOs), leveraged finance and fixed income markets have at times contributed to severe liquidity crisis in the global credit markets. Financial markets have experienced substantial fluctuations in prices for leveraged loans resulting in limited liquidity for such

instruments. During periods of limited liquidity and higher price volatility, ORIX Advisers' ability to acquire or dispose of CLOs at a price and time that ORIX Advisers deems advantageous may be severely impaired. As a result, in period of rising market prices, ORIX Advisers may be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; and ORIX Advisers' inability to dispose fully and promptly of positions in declining markets will cause its net asset value to decline and may exacerbate losses suffered by ORIX Advisers when collateral obligations are sold.

Distressed and High-Yield Securities. Certain Signal Peak Clients might invest in securities issued by, or other indebtedness of, companies in weak and/or deteriorating financial condition, experiencing poor operating results, needing substantial capital investment, having negative net worth, facing special competitive or product obsolescence problems or involved in bankruptcy or reorganization proceedings. Investments of this type are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace, and further, may involve substantial financial and business risks, which are often heightened by an inability to obtain reliable information about the issuers. The investments can result in significant or even total losses. In addition, the markets for distressed and high-yield securities are frequently illiquid. The market prices of distressed and high-yield assets are subject to abrupt and erratic market movements and above-average price volatility, and the spreads between the bid and asked prices of such assets may be greater than those prevailing in other markets. It may take a number of years before the market price of the assets reflects their perceived intrinsic value, if they ever do. Distressed assets also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments and lender liability, as well as bankruptcy and other judicial courts' power to disallow, reduce, subordinate or disenfranchise particular claims.

Limited Performance History. The performance of the Signal Peak Clients will be in part dependent on the analytical and managerial expertise of the investment professionals of Signal Peak. The prior investment results of persons associated with Signal Peak or any other entity or person described herein are not indicative of the future investment results of the Signal Peak Clients. The nature of, and risks associated with, the Signal Peak Clients' future investments may differ substantially from those investments and strategies undertaken historically by such persons and entities. There can be no assurance that the Signal Peak Clients' investments will perform as well as the past investments of any such persons or entities.

Despite that certain key personnel involved in Signal Peak were previously involved with the management of the Signal Peak Clients as part of a different adviser, potential investors are advised that Signal Peak has not previously managed CLOs. Accordingly, Signal Peak has a very limited performance history with respect to managing CLOs and the past performance of the Signal Peak Clients should not be viewed in any way as indicative of the results that Signal Peak will be able to achieve with future investments.

International Investing. Certain of the loans held by the Signal Peak Clients may consist of obligations of, or securities issued by, obligors located and/or operating in non-US jurisdictions, including certain tax advantaged jurisdictions. Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly available information; (ii) varying levels of government regulation and supervision; and (iii) the difficulty of enforcing legal rights in a foreign jurisdiction and uncertainties as to the status, interpretation and application of laws. Moreover, foreign companies are generally not subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to United States companies. In addition, the economies of individual non-US countries may differ favorably or unfavorably from the US economy in

such respects as growth of gross domestic product, rate of inflation, volatility of currency exchange rates, depreciation, capital reinvestment, resources self-sufficiency and balance of payments position.

Valuation Risk. The sales price a Signal Peak Client could receive for any particular portfolio investment may differ from the value at which the investment is carried by such Signal Peak Client (whether determined by ORIX Advisers or the Signal Peak Client's owner, custodian, administrator or other service provider), particularly for securities that trade in illiquid or volatile markets, that are priced based upon valuations provided by third-party pricing services that use matrix or evaluated pricing systems, or that are valued using a fair value methodology.

Risk Retention Rules. Under certain risk retention rules, an entity acting as a "sponsor" or "originator" will be required to retain a portion of the credit risk of the assets it securitizes. For certain Signal Peak Clients, ORIX Advisers could be deemed to be engaging in the types of investments and activities that would subject it to the requirements of certain risk retention rules. Additionally, the potential impact of risk retention rules on the securitization market is unclear and such rules may negatively impact the value of CLOs, CDOs, securitizations and the underlying assets. Failure to comply with applicable risk retention rules may result in significant negative reputational consequences and may adversely affect the ability of ORIX Advisers to perform its obligations under the relevant Governing Documents, which may, in turn affect the market value and liquidity of the securities issued by the Securitized Vehicles.

Government Response to COVID-19. Various U.S. state and federal regulatory authorities have recently implemented, or are considering the implementation of, policies, orders or similar regulatory actions encouraging or requiring financial institutions and other regulated financial market participants to provide debt forbearance or other forms of debt relief to borrowers or other debtors as a result of adverse economic conditions or other adverse conditions affecting such debtors. In response to the global pandemic, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law and provides more than \$2 trillion of U.S. federal economic relief to businesses, governmental entities, and individuals affected by COVID-19. In particular, the CARES Act provides for loans and other credit support for small businesses and certain other eligible businesses, states and municipalities. In addition, the Federal Reserve Board announced on March 23, 2020 that it will establish the Term Asset-Backed Securities Loan Facility (known as "TALF 2020") to support the issuance of certain eligible asset-backed securities, and state and federal banking regulators have issued policy statements and guidance regarding provision of loan forbearance and related actions by their regulated financial institutions. As described above, the full effects of legal and regulatory actions that have been or may be taken in response to the global health pandemic (including, without limitation, the scope or duration thereof) is not known at this time.

LIBOR Replacement. The elimination of the London Inter-Bank Offered Rate (LIBOR) may adversely affect the interest rates on, and value of, certain Signal Peak Clients' investments for which the value is tied to LIBOR. Such investments may include bank loans, floating rate securities, and other assets or liabilities tied to LIBOR. On July 27, 2017, the U.K. Financial Conduct Authority announced that it intends to stop compelling or inducing banks to submit LIBOR rates after 2021. However, it remains unclear if LIBOR will continue to exist in its current, or a modified, form. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. The U.S. Federal Reserve, based on the recommendations of the New York Federal Reserve's Alternative Reference Rate Committee (comprised of major derivative market participants and their regulators), has begun publishing a Secured Overnight Financing Rate, which is intended to replace U.S. dollar LIBOR. Alternative reference rates for other currencies have also been announced or have already begun publication. Markets are slowly

developing in response to these new rates. Questions around liquidity impacted by these rates, and how to appropriately adjust these rates at the time of transition, remain a concern for the Signal Peak Clients. The effect of any changes to, or discontinuation of, LIBOR on the Signal Peak Clients will vary depending on, among other things, (1) existing fallback or termination provisions in individual contracts and (2) whether, how, and when industry participants develop and adopt new reference rates and fallbacks for both legacy and new products and instruments. Accordingly, it is difficult to predict the full impact of the transition away from LIBOR on the Signal Peak Clients until new reference rates and fallbacks for both legacy and new products, instruments and contracts are commercially accepted.

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**Item 9. Disciplinary Information**

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Form ADV Part 2 requires investment advisers such as ORIX Advisers to disclose any legal or disciplinary events that would be material to a client's or prospective client's evaluation of ORIX Advisers' advisory business or the integrity of its management. Neither ORIX Advisers nor its management personnel are currently the subject of any material litigation, formal investigations, administrative proceedings or disciplinary events.

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**Item 10. Other Financial Industry Activities and Affiliations**

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In managing Investment Advisory Accounts, ORIX Advisers faces certain conflicts of interest, including as a result of its financial industry relationships and arrangements. Such relationships, arrangements, and conflicts are summarized below. In managing future Investment Advisory Accounts, ORIX Advisers may face the same, similar, or different conflicts. Any such conflicts will be disclosed in the relevant Investment Advisory Account's Governing Documents.

**Affiliated Service Providers**

ORIX Advisers use the services of ORIX USA and/or its affiliates for certain non-investment related services including legal and compliance and related support services, general services, human resources, portfolio transaction services, finance and accounting, audit, administrative, back office services, and information and technology support services, without specific consent by the client, except to the extent explicitly restricted by the client in or pursuant to its Governing Documents, or inconsistent with applicable law. The agreement documenting this arrangements is a services agreement between ORIX Advisers and ORIX USA. ORIX Advisers remains fully responsible for the Investment Advisory Accounts from a legal and contractual perspective. No additional fees will be charged for the affiliates' services except as set forth in the Governing Documents.

**Conflicts as to ORIX USA**

ORIX Advisers is indirectly wholly-owned by ORIX USA. ORIX USA is a diversified financial services company and wholly-owned subsidiary of ORIX Corporation. The relationship of ORIX Advisers as an indirect wholly-owned subsidiary of ORIX USA and ORIX Corporation creates several potential conflicts of interest as described below.

ORIX USA, separately from ORIX Advisers, invests and trades in securities and makes other investments for its own proprietary account utilizing strategies and types of securities that, from time to time, compete or will be in conflict with ORIX Advisers' activities on behalf of its clients. ORIX Advisers and its personnel could be incentivized by virtue of its relationship with ORIX USA to compete less vigorously with ORIX USA for investment opportunities, or otherwise conduct its activities (e.g., with respect to the timing of its transactions) in a manner that disadvantages ORIX Advisers' clients. ORIX Advisers and its affiliates may

also give advice and take action in the performance of their respective duties to one investor, which may differ from the timing and nature of action taken with respect to another investor or ORIX Advisers' separately managed accounts with ORIX USA or ORIX USA affiliates. In fact such actions may at times be adverse. In addition, the portfolio strategies that ORIX Advisers or its affiliates use for ORIX USA (e.g., a separately managed account) could conflict with the transactions and strategies ORIX Advisers employs in managing another account, and may affect the prices and availability of the securities and other financial instruments in which ORIX Advisers invests on behalf of an Investment Advisory Accounts. In addition, an Investment Advisory Account or ORIX Advisers' affiliate (or its client) may, from time to time, make an investment in, or a loan to, a company in which one or more other Investment Advisory Accounts or ORIX Advisers' affiliate (or its client) may invest in a different part of the capital structure, which may mean that one investor's interest in that company may have different rights, preferences and privileges than the company interests held by an Investment Advisory Account. There may be instances where such a company may become insolvent or bankrupt and where an Investment Advisory Account or ORIX Advisers' affiliate (or its client's) interests in such company may otherwise conflict with the interests of other Investment Advisory Accounts or affiliates. To the extent that Investment Advisory Accounts hold securities or other financial interests (e.g. bank debt) in a company with rights, preferences and privileges that are different than interests held by other ORIX Advisers clients or investors in the same company, ORIX Advisers and its affiliates may be presented with decisions when and/or where the interests of (including ORIX Advisers' affiliates such as ORIX USA) are in conflict. It is possible that an Investment Advisory Account's interest may be subordinated or otherwise adversely affected by virtue of other ORIX Advisers' client accounts (possibly advised by separate investment teams) or affiliates involvement and actions relating to such investment, in a bankruptcy proceeding or otherwise. ORIX USA is currently, and may remain, an investor in Investment Advisory Accounts. As noted above, ORIX USA is the owner of ORIX Advisers and a client of ORIX Advisers, and thus ORIX Advisers may feel obligated to permit ORIX USA to invest on terms (for example, preferential investment, withdrawal and distribution rights, favorable trade allocations and pricing, lower fees and transparency) that are better than those available to other unaffiliated investors.

ORIX LP, which is the sole owner of ORIX Advisers, holds a majority of the limited partnership interests in the OCP Fund (the "ORIX Interest"). As the owner of the ORIX Interest, and given ORIX's role as a potential source of additional financing and/or additional commitments to the OCP Fund and Portfolio Investments, various conflicts of interest exist (or may arise in the future). For example, ORIX LP may invest in the OCP Fund or any Portfolio Investment with more information and increased transparency than that available to other unaffiliated investors (including by receiving information earlier than other unaffiliated investors). ORIX LP will owe no fiduciary or other duties to other OCP Limited Partners in connection with the OCP Fund or any Portfolio Investment and may exercise its rights with respect to the OCP Fund or any Portfolio Investment in its sole discretion in light of its own interests as an OCP Limited Partner, without taking into account the interests of other investors in the OCP Fund, any Portfolio Investment or the OCP Fund itself. Without limiting the generality of the foregoing, ORIX LP may make decisions with respect to the OCP Fund taking into account the interests of its affiliates. ORIX LP will not be entitled to participate in any vote or consent of the OCP Limited Partners, except as specifically provided in the OCP Fund's Governing Documents.

In addition to responsibilities with respect to the management and investment activities of the Investment Advisory Accounts, ORIX Advisers, its affiliates and their personnel may have similar responsibilities with respect to accounts other than the Investment Advisory Accounts and may have other business commitments from time to time. Such accounts may have investment programs and/or objectives that overlap with or otherwise compete with that of the Investment Advisory Accounts. In addition, subject

to the terms of the Governing Documents, ORIX Advisers, its affiliates and their respective employees, officers, directors, principals, members and consultants (collectively, “ORIX Persons”) may engage in or possess an interest in other business ventures of every nature and description for their own account, independently or with others, whether or not such other enterprises are in competition with any activities of the Investment Advisory Accounts or could otherwise be adverse to one or more Investment Advisory Accounts. Neither an Investment Advisory Account nor an investor in such Investment Advisory Account will have any right by virtue of the Governing Documents in and to such independent ventures or to any income or profits derived therefrom. Conflicts may arise as a result of such other activities. ORIX Persons may engage in transactions that would be suitable for an Investment Advisory Account.

Conflicts of interest may also arise as a result of certain ORIX Persons having roles both with respect to ORIX Advisers and an Investment Advisory Account and with respect to other ORIX USA entities. For example, an ORIX USA officer is a member of the OCP’s Investment Committee but is not generally involved in the oversight or management of the OCP Fund’s investments. Investment opportunities sourced by this particular ORIX Person will generally be made available to ORIX USA or an affiliate including ORIX Corporation prior to being offered to ORIX Advisers or the OCP Fund, subject to the terms of the Governing Documents and any side letters with OCP Limited Partners. This particular ORIX Person’s various roles will limit the amount of time and input such ORIX Person is able to spend with respect to the OCP Fund and ORIX Advisers. In addition, as a result of this particular ORIX Person’s responsibilities with respect to ORIX USA and ORIX Corporation, such ORIX Person may act in the interests of the larger ORIX USA enterprises even when such interests conflict with the interests of the OCP Fund. Another example of this “dual role” conflict of interest is the Chief Operating Officer of ORIX Advisers who also serves in a similar capacity for the Asset Management business of ORIX USA. Other similar dual role situations exist across the business and there could be more such roles in the future.

The structure of the OCP Fund, which allows investors to choose whether to participate in any Portfolio Investment only after the presentation of such investment opportunity to ORIX LP as an OCP Limited Partner, creates conflicts of interest. The OCP Fund will make certain investments that ORIX Advisers recommends to the OCP Fund in its capacity as the OCP Fund’s investment manager. Only after ORIX LP has elected whether to opt-in to a Portfolio Investment and determined the amount of such Portfolio Investment that it intends to make (if any) will the remaining portion of such Portfolio Investment, if any, be offered to the other OCP Limited Partners (subject in each case to the terms of any agreements between ORIX Advisers and any side letters with OCP Limited Partners). In addition, the OCP General Partner has agreed with certain OCP Limited Partners that they will be permitted to participate in Portfolio Investments in at least a stated percentage, which may further reduce the portion of each Portfolio Investment available to other OCP Limited Partners. However, regardless of whether ORIX LP opts-in to a particular Portfolio Investment, the other OCP Limited Partners will be given an opportunity to participate in such Portfolio Investment pursuant to the terms of the Governing Documents, provided that, as a group, the other OCP Limited Partners elect to participate in an amount sufficient, in ORIX Advisers’ sole judgment, to make the proposed Portfolio Investment.

In making a recommendation to the OCP Fund, ORIX Advisers will act in a fiduciary capacity with respect to the OCP Fund. However, in electing whether to participate in an investment and in what amount, ORIX LP will not be acting as a fiduciary and will owe no duties to the OCP Fund or the other OCP Limited Partners. Rather, ORIX LP will make such determinations in its sole discretion and acting solely on its own behalf based on its own particular investment and non-investment considerations, which may make particular investments more or less attractive to it based on factors not applicable to other OCP Limited Partners. Such factors may include, without limitation, considerations involving ORIX LP’s available capital, ORIX LP’s overall portfolio construction, geographic considerations, concentration considerations, desire

for exposure to private investments generally and other factors. ORIX LP will be under no obligation to disclose to other OCP Limited Partners the factors it uses to make such determinations, and such factors may change over time. ORIX LP may also seek to take as much as possible of those investment opportunities that it deems most attractive, leaving less (or none) of such opportunities for other OCP Limited Partners (subject to the terms of any agreements between ORIX Advisers and agreements with OCP Limited Partners in a Side Letter or otherwise). The OCP Fund and the other OCP Limited Partners may be adversely affected as a result. In addition, where ORIX LP makes a determination whether to opt-in to an investment, because it is taking account only of its own interests and considerations relevant to it, other OCP Limited Partners should not make any investment decision based on, and should not infer anything from, ORIX LP's decision with respect to the same investment.

#### **Board/Creditor Committee Representation**

Employees of ORIX Advisers or its affiliates may serve as members of the board of directors or the bondholder's creditors' committee of a company the securities of which might be held in Investment Advisory Accounts. This is typically the result of a subject issuer filing bankruptcy or for entering reorganization proceedings. As a general matter, employee membership on the board of a publicly traded company requires pre-clearance from ORIX Advisers Legal/Compliance Department, and could be permitted by ORIX Advisers' Chief Compliance Officer or General Counsel when it is deemed to be in the best interest of ORIX Advisers and/or its clients or in their respective or collective opinion does not otherwise present an unreasonable risk or conflict of interest.

#### ***ORIX Advisers might not be permitted to disclose certain information***

As a member of a board of directors or the bondholder's creditors' committee, employees of ORIX Advisers or its affiliates or Operating Advisers might acquire material non-public information about corporations or other entities or their securities. ORIX Advisers and its affiliates are not obligated, and may not be permitted, to disclose any of that information to or for the benefit of their clients, or otherwise act on the basis of that information in providing services to its clients. This could cause a conflict of interest between ORIX Advisers' (or its affiliates') legal and/or contractual duty not to disclose material non-public information and its duty to act in the best interest of its advisory clients.

ORIX Advisers seeks to limit these types of memberships and service arrangements and gives careful consideration to the pros and cons (as to ORIX Advisers) associated with personnel serving as a member of the board of directors or a bondholder's creditors' committee.

#### **Allocation of Investment Opportunities**

Other than as expressly required pursuant to the terms of an Investment Advisory Account's Governing Documents, ORIX Advisers is under no obligation to offer any investment opportunities to an Investment Advisory Account or, if any investment opportunities are offered to such Investment Advisory Account, to make any specific allocation of such investment opportunities. Because ORIX USA and other ORIX Persons are affiliates of ORIX Advisers, ORIX Advisers may have an incentive to retain more favorable investment opportunities for ORIX USA and other ORIX Persons and offer less attractive opportunities to unaffiliated Investment Advisory Accounts. In addition, certain other accounts may now or in the future have investment programs and/or objectives that overlap with or otherwise compete with that of an Investment Advisory Account and/or may otherwise adversely affect the Investment Advisory Account. There may be investment opportunities that are suitable to one or more Investment Advisory Account

and such other accounts. Subject to the terms of the Investment Advisory Account's Governing Documents, ORIX Advisers will make allocation decisions between or among Investment Advisory Accounts and the other accounts in its discretion, consistent with its fiduciary duties and contractual commitments, and taking into account the respective investment programs, current portfolios and available capital commitments of Investment Advisory Accounts and such other accounts (and any other factors it may deem relevant). However, given the considerations outlined herein, there can be no guarantee that the Investment Advisory Accounts will make any investments or that, to the extent any Investment Advisory Account does make investments, as to the portion of any such investment that will be made available to any non-ORIX affiliated investors. Please see additional information below with respect to "ramping trades" for certain Signal Peak client accounts.

Subject to the terms of the Investment Advisory Accounts' Governing Documents, Investment Advisory Accounts will have no right to participate in any investment opportunities sourced by ORIX USA entities other than ORIX Advisers. In addition, Investment Advisory Accounts will not have the right to participate in investment opportunities sourced by ORIX Advisers' investment teams, other than the investment team described in the applicable Governing Documentation as being the source of their investment opportunities. Subject to the terms of the Investment Advisory Account's Governing Documents, such other ORIX entities, including ORIX USA, will continue to invest for other accounts (including on their own behalf), without regard to whether any investment might be appropriate for an Investment Advisory Account, and will owe no fiduciary or other duties to the Investment Advisory Accounts.

#### Trade Aggregation

As a general matter, each Investment Advisory Account has its own investment objectives or investment strategies (hereinafter collectively referred to as "Investment Objectives"). Notwithstanding that fact, two or more Investment Advisory Accounts may share the same or substantially similar Investment Objectives. It is the policy of ORIX Advisers to manage Investment Advisory Account assets consistently with each Investment Advisory Account's Investment Objectives and not to inappropriately favor any one Investment Advisory Account over another over time. Consistent with that policy, trades initiated by ORIX Advisers on behalf of Investment Advisory Accounts are to be allocated fairly and equitably among the Investment Advisory Accounts over time. To implement that objective, ORIX Advisers has adopted the following procedures:

If ORIX Advisers (or its affiliates) believes that the purchase or sale of a security is in the best interest of more than one of their respective clients, and is consistent with each client's disclosure in its Governing Documents, it may (but is not obligated to) aggregate the orders to be purchased or sold to seek favorable execution or lower brokerage commissions, to the extent permitted by applicable regulation or law. However, ORIX Advisers, or its affiliates, are not required to bunch or aggregate orders of their respective investment teams to the extent that portfolio management decisions are made separately or if ORIX Advisers, or its affiliates, as applicable, determines it would not be consistent with its investment management duties to do so. Aggregation of orders under these circumstances should, on average, generally decrease the cost of execution.

Due to prevailing trading activity, it is frequently not possible to receive the same price or execution on the entire volume of securities purchased or sold. When this occurs, the various prices may, in ORIX Advisers' sole discretion, be averaged and participating client accounts will be charged or credited with the average price. In such cases, each client that participates in the aggregated transaction will share transaction costs *pro rata* based upon each client's participation in the transaction.

Aggregation could advantage or disadvantage a client account. Under specific circumstances, not all clients will be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order. For example, brokerage commissions may be individually negotiated by an ORIX Advisers trading desk that invests a portion of an Investment Advisory Account.

#### *Additional Considerations related to Signal Peak*

Signal Peak provides advisory services to certain specialized investment vehicles as well as private funds and separate account clients (the “CLO Clients”) and the allocation of investment opportunities is intended to be fair and equitable to all CLO Clients over time and driven by the Investment Objectives and guidelines of each CLO Client account. In that regard, it should be recognized that while Signal Peak will generally aggregate orders and allocate trades across similarly managed CLO Client accounts on a pro-rata basis taking into account the unique nature of each CLO Client, their investment guidelines, restrictions and life cycle, there may be circumstances where certain trades made by Signal Peak may not be aggregated and may not be allocated to certain CLO Clients. For example, one CLO Client could be in a different stage of its life cycle than another CLO Client (e.g., warehouse stage, ramping stage, reinvestment stage or post reinvestment stage) and given the unique requirements of each stage, not all CLO Clients may participate in every trade. This may occur in particular during the ramping/asset accumulation stage for a CLO Client. In addition, certain trades could be driven by the unique needs of a particular CLO Client such as a trade to raise cash, improve a CLO Client test result, or address a credit risk situation.

#### **Cross Trades and Principal Trades**

ORIX Advisers may cause its clients to make investments in affiliated or associated entities

ORIX Advisers and its affiliates may act in multiple capacities (for example, act as principal or agent as described below in addition to acting as adviser on behalf of a client), and may effect transactions with or for an account in instances in which ORIX Advisers and its affiliates and/or their personnel may have multiple interests. ORIX Advisers might invest Investment Advisory Accounts, or recommend that clients invest, in an affiliated fund. Investments in an affiliated fund may be of any class or category of shares with the understanding that fees associated with such class or category need not be the lowest fees offered.

ORIX Advisers may be compensated for causing its clients to make investments in affiliated or associated entities. In addition, ORIX Advisers has no obligation to determine whether investments in other affiliated funds or a comparable, non-affiliated collective investment fund or vehicle, would be subject to lower fees and expenses. In connection with such investments, unless provided otherwise in the client’s advisory agreement, the client will pay all fees pertaining to the affiliated fund and no portion of the affiliated fund’s advisory, administrative or other fees will be offset against fees payable in accordance with the advisory agreement. The client may prospectively revoke its consent to invest in affiliated funds at any time by written notice to ORIX Advisers.

ORIX Advisers may cause its clients to engage in cross trades

ORIX Advisers may buy and sell the same security between Investment Advisory Accounts when it believes, in its sole discretion, that such a transaction would be advantageous or otherwise beneficial to each of the Investment Advisory Accounts involved. For example, a cross trade may be effected in a less liquid or

otherwise difficult to transact in security (for example, difficult to locate or hard to borrow short), when, in the opinion of ORIX Advisers personnel, it would reduce the risk of market impact or otherwise reduce the costs associated with the contemplated trade

ORIX Advisers may engage in principal trades

In the event that ORIX Advisers or its affiliates is required to sell any remaining assets in a Credit Fund or the OCP Fund following the expiration of such fund's term, ORIX Advisers and/or its affiliates (as applicable under the terms of the Fund documentation) will be permitted to bid on such assets on normal commercial terms and on an arm's-length basis; provided, however, that ORIX Advisers or one of more of its affiliates purchases the relevant asset at a price at least equal to the market value of the relevant asset.

### **Capital Structure Conflict**

ORIX Advisers and its affiliates, or different investment teams within ORIX Advisers which may or may not apply different investment strategies, may acquire for Investment Advisory Accounts, accounts, or for their own accounts, securities, assets or other investments of an issuer that are senior or junior to the securities, assets or other investments of the same issuer that are held by, or are acquired for, other Investment Advisory Accounts. In such cases, Investment Advisory Accounts may have different rights, preferences and privileges than those afforded to other Investment Advisory Accounts. These capital structure conflicts are exacerbated in circumstances involving issuers in financial distress. In particular, if an issuer enters bankruptcy, Investment Advisory Accounts or accounts invested in different parts of the issuer's capital structure will have conflicting interests related to the satisfaction of the issuer's obligations or indebtedness—including, as an example, Investment Advisory Accounts or accounts in the more junior portion of the capital structure will be more interested in the issuer taking greater risk if their securities are already essentially worthless. Investment Advisory Accounts or accounts in the more senior portion of the capital structure will prefer the issuer take fewer risks and convert its remaining assets to cash to preserve whatever value may be remaining in the more senior securities of the issuer's capital structure.

ORIX Advisers may be incentivized to make decisions for the benefit of one Investment Advisory Account to the detriment of another (e.g., due to the prospect of earning more Carried Interest, Management Fees or other fees or if dissatisfaction would cause one of the Investment Advisory Accounts to redeem capital or discontinue its relationship with ORIX Advisers).

### **Affiliated Financing Arrangements**

ORIX USA and its affiliates currently act, and may in the future act, as lender, or otherwise provide financing, to the OCP Fund and/or certain Portfolio Investments (each, an "Affiliated Financing"). In cases where ORIX USA participates as a lender in borrowings by the OCP Fund or any Portfolio Investment, ORIX USA's interests may conflict with the interests of the OCP Fund or such Portfolio Investment. In its capacity as a lender, ORIX USA will act in its own interest, without regard for the interests of the OCP Fund or the Limited Partners. In certain circumstances such as an event of default, ORIX USA may cause the liquidation of securities held by the OCP Fund or foreclose and liquidate such securities or assets of the applicable Portfolio Investment in ORIX USA's own name. Such actions may adversely affect the OCP Fund and the returns of the Limited Partners. If ORIX USA or an affiliate is a party to a transaction or an agreement with the OCP Fund or a Portfolio Investment to provide financing to the OCP Fund or such Portfolio Investment, and the OCP Fund is required to take an action to implement such agreement, enforce any provisions thereof or any rights of the OCP Fund thereunder, give required notices or give or make any approval, consent, decision or waiver under such agreement, or otherwise make a determination in respect of such

financing arrangement without limiting any of the terms or conditions under the Governing Documents or applicable law, the OCP General Partner may, if it determines it to be necessary, take such actions as set forth in the Governing Documents of the OCP Fund to approve any such action or inaction to be taken by the OCP Fund. The OCP General Partner shall consult with an investment bank, appraisal firm or other expert experienced in such matters selected by the OCP General Partner to present an alternative proposed resolution to the OCP Limited Partners if the majority of the OCP Limited Partners (excluding ORIX LP) objects to the original proposed resolution. An approval obtained by a majority of such OCP Limited Partners will be deemed to constitute the consent of the OCP Fund and all OCP Limited Partners, and none of the OCP General Partner, ORIX Advisers or any applicable affiliate of either will, absent fraud, gross negligence or willful misconduct, be liable to the OCP Fund or any OCP Limited Partner for any actions taken in accordance with any such approval.

### **Operating Advisers**

As described in Item 5—Fees and Expenses, the OCP Fund may engage the services of certain Operating Advisers or other advisers with relevant experience and expertise to work actively with ORIX Advisers and the fees, costs and expenses associated with the engagement, retainer or employment of such Operating Adviser will generally not be borne by the OCP General Partner, ORIX Advisers or any of their respective affiliates. ORIX Advisers and the OCP General Partner will have an incentive to engage a consultant as an Operating Adviser, rather than as an employee or partner of ORIX Advisers or the OCP General Partner.

### **Conflicts with Portfolio Investments and Investors**

Officers, employees, consultants and advisors of ORIX Advisers and its affiliates currently serve as directors, managers, consultants and advisors of certain Portfolio Investments in which the OCP Fund invests, and such persons may serve in such capacities in the future with respect to portfolio companies of the OCP Fund and/or other Investment Advisory Accounts. Such persons will be required to make decisions that they consider to be in the best interests of the applicable Portfolio Investment. In certain circumstances, for example, in situations involving bankruptcy or near insolvency of the Portfolio Investment, actions that may be in the best interest of the Portfolio Investment may not be in the best interests of the Investment Advisory Account, and vice versa.

Directors, managers, consultants and Operating Advisers of certain Portfolio Investments (that are not affiliates, employees or officers of the OCP General Partner or ORIX Advisers, but who may provide services to the OCP General Partner, ORIX Advisers and/or portfolio companies) may be entitled to receive certain compensation from such Portfolio Investments (in addition to any compensation received by such individuals from ORIX Advisers), including through profits interests or other equity incentive, upfront transaction fees and ongoing service fees. Such profits interests or other equity incentive are currently, and may in the future be, issued from the profits interest pool (or other equity incentive pool) that is created with respect to each Portfolio Investment for the officers, directors and key employees of, and other service providers to, such Portfolio Investment. Compensation paid by Portfolio Investments to consultants, Operating Advisers and other similar professionals that are not employees of the OCP General Partner, ORIX Advisers and ORIX USA or its respective affiliates will not reduce the Management Fee or the OCP General Partner's Carried Interest. In addition, directors, managers, consultants and Operating Advisers of certain Portfolio Investments as well as the OCP General Partner, ORIX Advisers and their officers, employees, consultants, directors, managers and Operating Advisers may be entitled to receive reimbursement of out-of-pocket costs and expenses incurred in connection with the performance of services to Portfolio Investments, subject, if applicable, to the Management Fee offset provisions of the OCP Fund's Governing Documents. Such expenses may include travel and entertainment costs, as well as

the fees, costs and expenses of external professionals or for outside consultants engaged by such persons to assist them with regard to their functions for the applicable Portfolio Investment. Moreover, the expenses otherwise payable by the OCP Fund may be borne by one or more Portfolio Investments.

In the situations described above, there may be conflicts of interests between such individual's duties as a consultant or Operating Advisor of ORIX Advisers or its affiliates and such individual's duties as a director, manager, consultant or advisor of the Portfolio Investment, including as a result of such individual's financial interest in such Portfolio Investment. In addition, because compensation to ORIX Advisers' Operating Advisers, consultants and similar professionals (that are not affiliates, employees or officers of the OCP General Partner or ORIX Advisers) by Portfolio Investments does not reduce the Management Fee, ORIX Advisers is incentivized to cause such persons to be compensated by Portfolio Investments rather than by ORIX Advisers. These types of conflicts are an inherent risk associated with the active management of certain types of assets and cannot be mitigated in all cases. Any advisor or consultant of a Portfolio Investment or ORIX Advisers may in the future become an employee of ORIX Advisers and be compensated directly by ORIX Advisers (in which event, such compensation would not be borne by the OCP Fund).

In addition, certain employees of the OCP General Partner, ORIX Advisers and/or ORIX USA have in the past, and may in the future, be seconded to a Portfolio Investment or may otherwise devote all or a substantial portion of their business time to the business of a Portfolio Investment, including potentially by serving in an executive-level position for a Portfolio Investment. Such employees may continue to receive a salary or other compensation from the OCP General Partner, ORIX Advisers and/or ORIX USA during the period of such secondment or other activities, and/or may receive a salary or be otherwise compensated by the applicable Portfolio Investment, which will be subject to the Management Fee offset provisions of the Governing Documents. Moreover, in addition to reporting to the applicable Portfolio Investment, such employees may continue to report to employees of the OCP General Partner, ORIX Advisers and/or ORIX USA, notwithstanding that such employees are devoting all or a substantial portion of their business time to the business of the Portfolio Investment.

An Investment Advisory Account's Portfolio Investment may from time to time provide services to a different Investment Advisory Account, or to ORIX USA. In addition, ORIX Advisers or its affiliates may from time to time utilize the services of an Investment Advisory Account or one or more limited partners and their affiliates who have invested into an Investment Advisory Account. Any such arrangements are generally expected to be entered into on an arm's length basis on such terms as the parties to the arrangement deem appropriate in their sole discretion. Notwithstanding the foregoing, such arrangements may not have been entered into but for the affiliation or relationship with ORIX Advisers. Such arrangements and/or transactions will be subject to Investment Advisory Account consent, to the extent required under the Investment Advisory Account's Governing Documents or applicable law. Such arrangements and/or transactions and the fees or compensation involved have the potential for inherent conflicts of interest. In particular, such arrangements may benefit one Portfolio Investment at the expense of another Portfolio Investment that is owned by a different Investment Advisory Account, in which case limited partners may be affected differently by such arrangements.

In addition, certain acquisitions or other business opportunities may be suitable for more than one Portfolio Investment. To the extent an Investment Advisory Account controls such Portfolio Investment, ORIX Advisers will determine, in its sole discretion, which Portfolio Investment pursues such acquisition or other business opportunity. Such determinations may have the effect of benefitting certain limited partners and disadvantaging others.

### **Conflicts Regarding Valuation and Other Matters**

ORIX Advisers will be responsible for a variety of important matters affecting each Investment Advisory Account. Among other matters, ORIX Advisers, with the assistance of the applicable administrator, will determine the value of the securities and other instruments held by such Investment Advisory Account. Such valuation affects reported Investment Advisory Account performance, the calculation of any Carried Interest due to ORIX Advisers as well as the calculation of the related Management Fee.

### **Restrictions Arising under the Securities Laws**

The activities of ORIX Advisers and its affiliates (including, without limitation, the holding of securities positions or having one of its personnel on the board of directors of a company) could result in securities law restrictions on transactions in securities held by an Investment Advisory Account, affect the prices of the investments or the ability of the Investment Advisory Account to purchase, retain or dispose of such investments, or otherwise create conflicts of interest for the Investment Advisory Account, any of which could have an adverse impact on the performance of the Investment Advisory Account.

### **Other Affiliates**

ORIX Advisers has a supplementary list of related persons who are not listed in Section 7 A of Schedule D of Form ADV Part 1A due to the fact that such affiliated companies are deemed to be “operationally independent” in accordance with applicable federal securities laws and ORIX Advisers has no reason to believe that its relationship with such related persons creates a material conflict of interest for the Investment Advisory Accounts.

ORIX Advisers and its supervised persons will have relationships or arrangements with other affiliated (or other associated) financial services companies that may pose material conflicts of interest.

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

### **Code of Ethics**

ORIX Advisers operates under a code of ethics adopted in accordance with Rule 204A-1 of the Advisers Act that sets out the standards of ethical conduct for its supervised persons, and a set of written policies and procedures adopted and implemented in accordance with Rule 206(4)-(7) of the Advisers Act, all of which are administered by ORIX Advisers’ chief compliance officer and contained in the ORIX Advisers compliance manual. ORIX Advisers will provide a copy of its code of ethics to any prospective client or investor in an Investment Advisory Account upon request.

Under certain circumstances, ORIX Advisers may recommend to Investment Advisory Accounts, or buy or sell for Investment Advisory Accounts, securities at the same time ORIX Advisers, its affiliates or its personnel or Operating Advisers buy or sell the same securities. In addition, ORIX Advisers, as well as its affiliates and personnel or Operating Advisers, may co-invest with Investment Advisory Accounts and may invest directly in Investment Advisory Accounts that ORIX Advisers or its affiliates manage. Additionally, certain employees and Operating Advisers may be entitled to a portion of the Carried Interest paid by an Investment Advisory Account to ORIX Advisers and/or its affiliates. Any of the foregoing could potentially create a conflict of interest between ORIX Advisers and its Investment Advisory Accounts. These situations and other conflicts of interest that may arise in the management of the Investment Advisory Accounts are addressed in ORIX Advisers code of ethics and compliance manual as described above.

The code of ethics includes specific practices and policies that seek to ensure that ORIX Advisers' supervised persons fulfill their fiduciary responsibilities of honesty, good faith, and fair dealing, and act in the best interest of Investment Advisory Accounts. All supervised persons are expected to strictly adhere to the practices and policies set forth in the code of ethics, as well as the procedures for approval and reporting requirements established therein. The code of ethics includes specific procedures and policies relating to the required approval and reporting of personal securities for all access persons, required securities holding reports, insider trading education and prohibitions and annual training certification filings to assure compliance with the code of ethics on an ongoing basis. All required reports are submitted and reviewed by ORIX Advisers' chief compliance officer.

In addition, the code of ethics and ORIX Advisers' compliance manual contains specific policies regarding gifts and entertainment, political contributions, prohibitions on insider trading, and the handling of confidential or non-public information that ORIX Advisers, its subsidiaries, its supervised persons, or the employees of its subsidiaries may receive in the course of providing services to Investment Advisory Accounts.

### **Participation or Interest in Client Transactions**

#### *Conflicts as to ORIX USA*

As described in Item 10, ORIX USA has a substantial investment in the OCP Fund. Therefore, ORIX USA may be considered to be participating indirectly in transactions effected for the OCP Fund. The foregoing relationships, fees, and any other actual or potential conflicts of interest arising therefrom are described in the Governing Documents. Please see Item 10—Other Financial Industry Activities & Affiliations for discussion of investment-related potential conflicts.

Under certain circumstances, ORIX Advisers may recommend to Investment Advisory Accounts, or buy or sell for Investment Advisory Accounts, securities in which ORIX Advisers or its affiliates have a material financial interest, including in the OCP Fund. Because of the relationship of ORIX USA and its personnel with ORIX Advisers, conflicts of interest exist (or may in the future exist) in connection with ORIX Advisers' allocation of investment opportunities as between ORIX USA and other Investment Advisory Accounts. ORIX Advisers has adopted investment allocation policies and procedures designed to mitigate this conflict.

#### *Possible Future Activities*

ORIX Advisers expects to expand the range of services that it provides over time. ORIX Advisers and its affiliates will not be restricted in the scope of their business or in the performance of their services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest. ORIX Advisers has, and will continue to develop, relationships with a significant number of companies, financial sponsors and Investment Advisory Accounts.

#### *Principal Transactions and Cross Transactions*

ORIX Advisers may enter into transactions and other arrangements with Investment Advisory Accounts that may be viewed as related party or principal transactions (i.e., transactions between an Investment Advisory Account and ORIX Advisers or its affiliate acting for its own account) to the extent permitted by applicable law, including, if required or appropriate, the making of appropriate disclosure to and receipt of consent from the applicable Investment Advisory Accounts.

### *Material Non-Public Information*

By reason of their responsibilities in connection with their other activities, certain personnel of ORIX Advisers or affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. Investment Advisory Accounts will not be free to act upon any such information. Due to these restrictions, Investment Advisory Accounts may not be able to initiate a transaction that otherwise might have been initiated and may not be able to sell an investment that otherwise might have been sold.

Notwithstanding the maintenance of restricted securities lists and other internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in ORIX Advisers, or one of its investment professionals, buying or selling a security while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on ORIX Advisers' reputation, result in the imposition of regulatory or financial sanctions and, as a consequence, negatively impact the ability of ORIX Advisers to provide its investment management services to certain Investment Advisory Accounts.

### *Service Providers*

Certain advisors and other service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants and investment or commercial banking firms) to the Investment Advisory Accounts or the companies in which Investment Advisory Accounts invest may also provide goods or services to, or have business, personal, financial or other relationships with, ORIX Advisers or its affiliates. Such advisors and service providers may be investors in an Investment Advisory Account, affiliates of ORIX Advisers, sources of investment opportunities or co-investors or commercial counterparties. Additionally, certain employees of ORIX Advisers may have family members or relatives employed by such advisors and service providers. These relationships may influence ORIX Advisers in deciding whether to select or recommend such a service provider to perform services for Investment Advisory Accounts or, in the case of the OCP Fund, a Portfolio Investment in which the OCP Fund invests. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to ORIX Advisers, its affiliates or Portfolio Investments as compared to services provided to Investment Advisory Accounts, which in certain circumstances may result in more favorable rates or arrangements than those payable by Investment Advisory Accounts.

## **Item 12. Brokerage Practices**

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Given its current investment strategies, ORIX Advisers does not expect to engage in active trading of publicly-traded securities, but does actively buy and sell broadly syndicated loans on behalf of the Credit Clients. To the extent ORIX Advisers engages in trading activity, it will follow the brokerage practices described below.

ORIX Advisers' policy will be to seek the best execution of orders on an overall basis, which means that it seeks to ensure that the Investment Advisory Account's total cost or proceeds is the most favorable under the circumstances. ORIX Advisers will not adhere to any rigid formulas in making its selection of broker-dealers to effectuate securities transactions on behalf of Investment Advisory Accounts, but will weigh a combination of factors or criteria. For example, in selecting brokers to effect portfolio transactions, the determination of what is expected to result in best execution on an overall basis involves a number of factors, including but not limited to, broker's reliability, reputation and experience in the industry, financial stability and capital adequacy, and execution capability (e.g., speed of execution, history of

securing best price and competitive transaction charge, operational efficiency including the ability to complete the transaction satisfactorily through to clearance, confirmation and delivery, responsiveness and availability of qualified, professional and diligent personnel).

ORIX Advisers may also take into consideration research (such as investment ideas, quantitative analysis, historical data, analytical, statistical and other information) and services provided by the broker (such as periodic electronic reports).

ORIX Advisers will not have a duty or obligation to seek the most favorable commission rate applicable to any particular Investment Advisory Account transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting Investment Advisory Account transactions to the extent consistent with the interests of Investment Advisory Accounts. Although ORIX Advisers will generally seek competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent.

Any brokerage commissions and other compensation to third parties, generated by securities transactions in an Investment Advisory Account’s account will be paid by such Investment Advisory Account, and not ORIX Advisers or any of its affiliates.

For many transactions involving debt obligations for the Signal Peak Clients, the markets in which ORIX Advisers trades are dealer-to-dealer over-the-counter markets in which there are no brokerage commissions, although mark-ups, mark-downs and clearing, structuring and other transaction costs are applicable. ORIX Advisers buys and sells securities on behalf of Signal Peak Clients at the prevailing bid-ask spreads. ORIX Advisers believes that each Signal Peak Client has access, through direct contact with primary dealers and financial institutions, to fully competitive prices.

ORIX Advisers does not intend to enter into any directed brokerage agreements or any “soft dollar” arrangements with brokers.

ORIX Advisers policy with respect to trading generally is that employees must take due care in making and implementing investment decisions on behalf of Investment Advisory Accounts. However, in the event of a trade error occurs, employees are (i) required to correct the error as soon after discovery as reasonable practicable, including taking commercially reasonable steps to attempt to correct and mitigate any losses related to a trade error and (ii) report any such errors to Compliance for review and documented appropriately.

### **Item 13. Review of Accounts**

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The frequency and nature of ORIX Advisers’ review of Investment Advisory Accounts, the factors that trigger such a review, and the content and frequency of regular reports that ORIX Advisers provides to investors in such Investment Advisory Accounts are set forth in each Investment Advisory Account’s Governing Documents. ORIX Advisers and/or an affiliate thereof generally provides each investor in an Investment Advisory Account with the following reports, subject to the terms of the applicable Governing Documents: (i) annual tax information, in respect to the Investment Advisory Account, reasonably necessary to complete any applicable tax returns, if applicable; (ii) the Investment Advisory Account’s audited annual financial statements prepared in accordance with U.S. generally accepted accounting principles; and (iii) quarterly or monthly reports, as stated in such Investment Advisory Account’s Governing Documents, which will include applicable investment information, and with respect to the

Securitized Vehicles, information related to the collateral obligations held in such Vehicles, including reporting on any delinquencies and/or losses and unaudited quarterly financial statements. Additional reports are available upon request.

OCP and Signal Peak have established Investment Committees (the “Committees”) that are responsible for the investment oversight for each business unit. Each Committee meets periodically to review, among other items, investment performance across all managed accounts as well as compliance with Investment Advisory Account guidelines and objectives.

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**Item 14. Client Referrals and Other Compensation**

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ORIX Advisers has in the past and may in the future utilize the services of affiliated or unaffiliated SEC-registered investment advisers, broker-dealers, and placement agents to refer clients for its products. ORIX Advisers compensates such firms for client referrals that result in the provision of investment advisory services by ORIX Advisers. This compensation may or may not be paid directly or indirectly by an Investment Advisory Account through an offset to the Management Fees otherwise payable by such Investment Advisory Account. Compensation under these solicitation arrangements is determined by means of an asset-based fee. Such fees do not result in additional costs to the investors. From time to time, ORIX Advisers may enter into additional solicitation arrangements and may compensate persons for client referrals. All such payments will comply with Rule 206(4)-3 of the Advisers Act and other applicable securities laws.

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**Item 15. Custody**

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In connection with its management authority, ORIX Advisers may have, or may be deemed to have, custody of certain Investment Advisory Account assets. Rule 206(4)-2 (the “Custody Rule”) under the Advisers Act defines custody as holding client securities or assets or having any authority to obtain possession of them, including if the adviser (or such affiliate) acts as a general partner of a client limited partnership or a managing member of a client limited liability company or if it has the authority to withdraw funds or securities from a client’s account or ownership of or access to client funds or securities (such as through fee deductions).

In accordance with the Custody Rule, if ORIX Advisers has custody of client assets, ORIX Advisers will maintain such Investment Advisory Account assets with qualified custodians. For any Investment Advisory Account for which ORIX Advisers will be deemed to have custody, such funds, vehicles or accounts will be subject to an annual audit and the audited financial statements will be distributed to each investor. The audited financial statements will be prepared in accordance with generally accepted accounting principles, and distributed within 120 days of the Investment Advisory Account’s fiscal year end (or 180 days as applicable for a fund of funds).

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**Item 16. Investment Discretion**

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ORIX Advisers’ investment decisions and advice with respect to each Investment Advisory Account are subject to such Investment Advisory Account’s Governing Documents. Any limitations on ORIX Advisers’ authority on behalf of an Investment Advisory Account, and the procedures ORIX Advisers follows before assuming authority over an Investment Advisory Account (e.g., execution of a power of attorney), are set forth in each Investment Advisory Account’s Governing Documents.

ORIX Advisers is appointed as investment manager or asset manager of each of the Investment Advisory Accounts pursuant to either an investment management agreement or asset management agreement. The Governing Documents of each Investment Advisory Account generally allow ORIX Advisers and its affiliates to exercise discretionary authority (both limited discretion in some case and non-discretionary investment recommendations), subject to the investment guidelines and investor approvals as described in the Governing Documents of such Investment Advisory Account, and to perform the day-to-day investment operations of the Investment Advisory Account.

#### **Item 17. Voting Client Securities**

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Although individual equity securities will generally not be a large portion of Investment Advisory Account investments due to the nature of ORIX Advisers' investment strategies, ORIX Advisers is expected to have authority to vote Investment Advisor Account securities in its discretion. There may be limited situations in which ORIX Advisers does not have the authority to vote client proxies in a certain manner. ORIX Advisers has adopted written policies and procedures in an effort to ensure that any such voting opportunity is exercised with diligence, care and loyalty. In all cases, ORIX Advisers will seek to vote Investment Advisor Account securities in a way that is believed to be in the best interests of such Investment Advisor Account. To the extent there is a material conflict between Investment Advisor Accounts, a third-party proxy adviser may be utilized, if determined necessary, to provide proxy voting recommendations.

ORIX Advisers generally has a representative on the board of directors of a Portfolio Investment of the OCP Fund, and proxies are typically (but not always) cast in accordance with board recommendations, unless ORIX Advisers determines that voting in accordance with board recommendations would adversely affect the investment merits of owning the securities. However, ORIX Advisers will consider each issue on its own merits, and will not support the position of the company's management in any situation where, in ORIX Advisers' judgment, it would not be in the best interests of the OCP Fund to do so. Furthermore, in the event a Portfolio Investment were to be in financial distress, the duty of the ORIX Advisers representatives on the board, if any, along with any other unaffiliated board members, will shift to a duty to protect the creditors of the Portfolio Investment, and thus ORIX Advisers board members may not be able to vote in the best interest of the OCP Fund. In situations where ORIX Advisers is required to vote the proxy for a company in which related persons of ORIX Advisers serve on the board of directors, ORIX Advisers has determined that this does not inherently present a conflict of interest, as the sole purpose of this representation is to maximize the return on the OCP Fund's investment in such company.

ORIX Advisers may also have to vote with respect to debt securities held by Signal Peak Clients. The issues which ORIX Advisers may have to vote with respect to debt securities generally involve amendments to loan documentation, borrower compliance with financial covenants, registration rights, prepayments, insolvency and other distressed credit situations. ORIX Advisers does not maintain specific proxy voting policies or guidelines regarding these types of issues. ORIX Advisers will vote these types of issues on a case-by-case basis based on the facts and circumstances. Generally speaking, if we are accorded voting or consent rights by virtue of any investment, we will be guided by general fiduciary principles and such voting or consent rights will be exercised by ORIX Advisers in a manner believed to be in the best interests of such Investment Advisory Account and consistent with efforts to achieve an Investment Advisory Account's objective, including maximizing portfolio value.

Upon request, investors in the Investment Advisory Accounts can obtain (i) a copy of ORIX Advisers' proxy voting policies and procedures, and (ii) information concerning proxy votes on behalf of the Investment Advisory Accounts. ORIX Advisers maintains the following records relating to proxy voting in its offices:

- Copies of ORIX Advisers' proxy voting policies and procedures and any amendments.
- Proxy statements received for Investment Advisory Account securities.
- Records of proxy votes cast on behalf of the Investment Advisory Accounts.

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**Item 18. Financial Information**

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. ORIX Advisers has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Investment Advisory Accounts and has not been the subject of a bankruptcy proceeding.