

**ITEM 1.
COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE

ONEX CREDIT PARTNERS, LLC D/B/A ONEX CREDIT

A Delaware Limited Liability Company registered
with the U.S. Securities and Exchange Commission
as an Investment Adviser

March 31, 2022

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This brochure provides information about the qualifications and business practices of Onex Credit Partners, LLC d/b/a Onex Credit. If you have any questions about the contents of this brochure, please contact us at 201-541-2121 or send an e-mail to sgutman@onexcredit.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Onex Credit Partners, LLC d/b/a Onex Credit is also available on the SEC’s website at www.adviserinfo.sec.gov. Registration does not imply a certain level of skill or training.

ITEM 2. MATERIAL CHANGES

This brochure updates the previous Onex Credit Partners, LLC d/b/a Onex Credit (together with its relying advisers, “Onex Credit”) brochure dated March 31, 2021. This brochure does not contain any material changes, but Onex Credit has made routine changes and updates throughout this brochure, including updated regulatory assets under management and certain enhancements to risk disclosures.

Except as otherwise specified, all information set forth or referenced in this brochure is as of the date hereof. Subject to the requirements of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and other applicable laws, Onex Credit is under no obligation to update any such information.

We encourage all recipients to read this brochure carefully and in its entirety.

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ITEM 4.

ADVISORY BUSINESS

Onex Credit is an investment adviser with its principal place of business in Englewood Cliffs, New Jersey. Onex Credit was registered under the Advisers Act on January 30, 2006 and commenced operations as an investment adviser on January 1, 2006. Onex Credit's affiliates, Onex Credit Partners Europe LLP and Onex Credit Management LLC d/b/a Onex Credit ("OCM"), act as relying advisers and operate with Onex Credit as a single advisory business. Onex Credit, Onex Credit Partners Europe LLP and OCM are jointly referred to herein as "Onex Credit".

Onex Credit is a subsidiary of Onex Corporation, a public company based in Canada, which has been acquiring and building businesses as a private equity investor since its inception in 1984. Starting in 1999, Onex Corporation began to develop a broader asset management business with the sponsorship of a series of private equity funds, the ultimate establishment of Onex Credit, and the making of a number of real estate investments. Onex Corporation is listed on the Toronto Stock Exchange, and Gerald W. Schwartz, its founder, Chairman, President and Chief Executive Officer, is the company's controlling shareholder.

Onex Credit serves as an investment manager of and offers advisory services on a discretionary basis to its clients, which include pooled investment vehicles and managed accounts intended for sophisticated investors and institutional investors and structured debt vehicles consisting of collateralized loan obligations ("CLOs") (collectively, the "Funds"). Current and prospective investors in the Funds advised by Onex Credit should refer to the applicable confidential offering or private placement memorandum, limited partnership agreement or similar constitutional documents, investment management agreement, as well as any side letters or similar agreements entered into between certain Fund investors and the applicable Funds (the "Governing Documents") of each Fund for complete information on the investment objectives, investment restrictions and risks applicable to such Fund. Onex Corporation and Onex Credit investment professionals and other executives invest in the Funds.

Onex Credit provides advice to Fund accounts based on specific investment objectives and strategies. In connection with any potential managed accounts and pooled investment vehicles having a limited number of investors, Onex Credit may agree to tailor advisory services to the individual needs of clients.

Onex Credit has entered into and may, in the future, enter into side letters or other writings with specific investors in our Funds which have the effect of establishing rights under, or altering or supplementing, the terms of the Governing Documents of the Funds or an investor's subscription agreement in respect of the investor to whom such letter or writing is addressed. Such rights or alterations could be regarding economic terms, fee structures, excuse rights, information rights, investment limitations, co-investment rights, ability to transfer interests in a fund or compliance with specified laws or regulations (including the provision of stated co-invest opportunities or priority allocation rights to, for example, limited partners who have capital commitments in excess of certain thresholds to one or more Funds, or transfer rights, among others). Generally, any rights established, or any terms altered or supplemented, will govern only that investor and not a Fund as a whole. Certain such additional rights but not all rights, terms or conditions may be elected by certain sizeable investors with "most favored nations" rights pursuant to a Fund's Governing Documents. Such side letters may also impose restrictions on participation in certain investments or types of investments made by the Funds. Disclosure of applicable side letter practices is made to investors prior to their investment in the applicable Fund.

The information provided above about the investment advisory services provided by Onex Credit is qualified in its entirety by reference to the Funds' offering materials and other Governing Documents.

Onex Credit does not participate in any wrap-fee programs.

Onex Credit had approximately \$15,200 million of regulatory assets under management as of December 31, 2021. All assets are managed on a discretionary basis.

Onex Credit currently manages the following strategies:

CLO Strategy: Focused primarily on performing first-lien loans.

Direct Lending Strategy: Focused primarily on senior secured loans and other loan investments of middle-market, upper middle-market and larger companies in less cyclical and less capital-intensive industries and utilizing leverage to enhance returns.

Senior Credit Strategy: A diversified long-only strategy, focused primarily on first-lien, senior secured loans employing leverage.

High-Yield Credit Strategy: The High Yield Credit Strategy is focused primarily on investing in bonds that are rated below investment grade. The strategy aims to preserve capital by avoiding credit defaults and dampen volatility by dynamic positioning in response to market conditions.

Opportunistic Senior Loan Strategy: Targeting a portfolio of first-lien, senior-secured term loans that we believe are available at substantial discounts relative to underlying credit risk.

Structured Credit Strategy: We bring broad fundamental levered credit analysis in the US & Europe, in-depth distressed credit capabilities, and strong structured credit analytics and sourcing capabilities to our Structured Credit investing. We seek to generate attractive risk-adjusted returns with some downside protection and current income (vehicle dependent) across the entire CLO capital structure from equity to investment grade notes. Target investment opportunities are CLOs, collateralized bond obligations (“CBOs”) and related structured transactions.

Capital Solutions Strategy: A flexible “all-weather” mandate that can tactically shift between secondary trading opportunities and private/originated transactions depending upon the market backdrop. This strategy is unconstrained by ratings, asset class or liquidity as it pursues attractive risk-adjusted returns. We seek to employ an active “drive-the-outcome” approach, rather than a passive value investing approach, while being focused on downside protection, upside optionality and an identifiable path to deliver value.

Onex Credit may manage one or more additional or adjacent strategies in the future. Persons reviewing this Form ADV Part 2A should not construe this as an offering of any of the Funds described herein.

ITEM 5.

FEES AND COMPENSATION

Onex Credit and/or affiliates acting as the general partners of the Funds generally receive management fees and performance-based compensation and may receive certain additional fees, all as further described below. Certain Funds are not subject to management fees and/or carried interest, as negotiated at the time of establishment thereof and as set forth in the relevant Governing Documents.

The precise amount of, and the manner and calculation of, the management fees payable with respect to each client are established by Onex Credit and are set forth in such client's Governing Documents. Different clients are subject to different advisory fees as compensation for the investment advisory services rendered to the applicable client. Management fees and expenses may also be paid out of reserves of the applicable Fund.

Detailed information on fees, performance compensation, expenses and any applicable offsets or caps is set forth in the Governing Documents, which are furnished to prospective investors prior to their investment.

Management Fees

Depending on the type of client and the advisory services provided to such client, Onex Credit receives management fees of up to 1.75% per annum. Management fees generally accrue and are paid on either a monthly or quarterly basis in arrears (meaning such fees are paid only after advisory services are rendered). Management fees for CLOs are based on the principal and cash balances of the CLO. Management fees for clients participating in the Direct Lending Strategy are generally based on a percentage of the capital contributions made to such client plus a percentage of any outstanding uncalled capital commitments made to such client. Management fees for other clients are generally based on the net or gross (depending on the specific strategy and client) asset value of the Fund account.

If a new Fund account is established during the relevant management fee billing period (i.e., the month or quarter, as applicable) or a client makes an addition to its account during such period, the management fee will be prorated for the number of days remaining in such period. If a client's investment management agreement is terminated or a withdrawal is made from a Fund account during a management fee billing period, the management fee payable to Onex Credit will be calculated based on the value of the assets on the termination date or withdrawal date and prorated for the number of days during such period in which the investment management arrangement was in effect or such amount was in the account.

These fees can be negotiated and fees for any managed accounts are negotiated on a case by case basis. Fees assessed on investments in Funds advised by Onex Credit that are made by Onex Credit, its affiliates and certain of their employees (or their employees' family members and related vehicles) and certain large or strategic investors, are reduced or waived entirely. Please refer to the applicable Governing Documents for complete information on the timing, nature and amount of management fees and performance-based compensation payable in respect of each client.

Performance Compensation

Onex Credit typically also receives performance-based compensation, which is based upon a share of the client's net profits and may include net unrealized gains and losses on investments. This compensation may be paid or reallocated to Onex Credit or to a related person of Onex Credit and is equal to an amount

of up to 20% of a Fund's net profits, in some cases subject to a preferred return. Certain clients are not charged performance-based compensation. Profit allocations typically represent a specified percentage of realized and unrealized net profits earned by a Fund or managed account (after accounting for the allocable amount of management fees, organizational and offering expenses and other expenses associated with the operation and activities of the Fund) and are subject to hurdles and/or clawbacks as specified in the Governing Documents.

Other Expenses

The organizational expenses of the Funds are generally paid by those Funds, and therefore indirectly by Fund investors, in some cases subject to a cap. In general, the Funds will bear all costs, fees and expenses incurred in connection with organizing and establishing the applicable Fund, its general partner and the general partner thereof, as applicable, and the marketing and offering of limited partnership interests in the Fund, including, without limitation, (i) expenses, fees and costs of the general partner of the Fund, Onex Credit and their respective affiliates (x) incurred in the formation and qualification of the Fund or (y) incurred in connection with the marketing and offering of interests in the Fund and (ii) the organization and funding of the Fund and the general partner of the Fund. Such out-of-pocket expenses incurred with respect to the Fund may include all legal and accounting fees and expenses, registration fees, filing fees, printing costs, travel and reasonable entertainment costs and ancillary expenses (including, without limitation, airfare, meals, lodging, etc.) , and all costs and expenses incurred in connection with the preparation of offering documents, marketing materials, organizational documents, operating documents and similar materials and the costs of qualifying, reproducing, amending, supplementing, mailing and distributing offering materials, and any placement agent fees. Typically, the management fees payable by a Fund will be reduced dollar-for-dollar by the amount of any placement agent fees paid by the Fund such that the investors in the Fund will not bear the economic burden of any placement agent fees, except for any placement agent or underwriting fees associated with the CLO Strategy, which will be borne by the applicable Fund.

Fund Expenses

The Funds will also typically bear all costs and expenses relating to their activities and, depending on the Fund and the terms of its Governing Documents, these could include, without limitation, all fees, costs and expenses relating to a Fund's (i) legal advisers, consultants, rating agencies, accountants, brokers and other professionals retained by the Fund or by Onex Credit on behalf of the Fund, (ii) asset pricing and asset rating services, third-party valuation consultants, risk management and compliance services and products and software, and accounting, programming and data entry services related to the management of secured and unsecured loans, high-yield bonds and other fixed income instruments and other securities or assets held for investment ("Investments"), as applicable, (iii) insurance premiums or expenses, including D&O and/or E&O liability insurance, crime and general partnership liability and financial institution bond insurance or other insurance, including policies covering the general partner of the Fund, Onex Credit and their respective affiliates, members, partners, shareholders, officers and employees, and regulatory compliance and filing costs and any other costs of any legal or other advisers retained in connection with the aforementioned, (iv) costs and expenses related to subscriptions to industry publications and research services, in each case attributable to a specific Loan Investment (or proposed Loan Investment) and management of Investments, including any restructuring or work-outs, including in each case, attorneys' fees and disbursements, Bloomberg, Wall Street Office, Black Mountain Systems, other database services, subscriptions and consultants, news and quotation equipment and services and trading-related computer hardware and software expenses, (v) all costs and out-of-pocket fees and expenses attributable to sourcing, investigating, identifying, analyzing, evaluating, financing, re-financing, structuring, organizing, obtaining regulatory approvals for, trading, settling, maintaining custody of, researching, pursuing, acquiring, purchasing, investing, holding, monitoring, managing,

operating, hedging, restructuring, valuing, seeking disposition opportunities and disposing of, the Investments (and prospective Investments) on behalf of the Fund, whether or not consummated, including brokerage commissions, prime brokerage fees, due diligence costs, investment banking fees, dealer, underwriting, sourcing or finder's fees, interest and fees on credit facilities of the fund, borrowing charges on securities sold short, custodial fees, fees of any depositary, clearing and settlement charges, commitment fees or other lenders' fees that become payable in connection with a proposed Investment, fees and expenses related to negotiating non-disclosure and confidentiality agreements, travel and entertainment costs and ancillary expenses (including, without limitation, airfare, meals, lodging, etc.), in each case, incurred in connection with the evaluation, acquisition or disposition of one or more Investments on behalf of the Fund (whether or not actually consummated), third- party consulting, legal and accounting and other professional fees and expenses, printing expenses and costs of related information management and trading systems, in each case, including any group purchasing costs, as applicable, reverse breakup, termination and other similar fees and financing, commitment, origination and similar fees and expenses, (vi) all legal, accounting, auditing, administrative, custodian, depositary, valuation firm, appraisal, actuarial, consulting, brokerage, engineer, research, brokerage, lending, banking, anti-money laundering and other professional services, syndication and solicitation, arranger, Swiss representative and paying agent, trustee, record keeping service provider and other similar fees and expenses (including courier fees and expenses related to conference calls), all costs, fees and expenses of meetings of Fund investors, fees and expenses of any administrator and costs and other out-of-pocket expenses associated with monitoring compliance with the Governing Documents of the Fund and with the preparation and delivery of Fund financial statements, tax returns, Schedule K-1s and other tax- related documentation and reports and notices to the Fund investors, (vii) expenses of a board of advisors and holding meetings thereof, and all costs and expenses of any votes, consents or meetings of Fund investors or the board of advisors or any amendments to or waivers of Fund agreement or any related agreement and the out-of-pocket expenses and other legal and advisory expenses of the board of advisors, (viii) extraordinary expenses, liabilities, indemnities and other obligations of the Fund (including litigation, mediation, arbitration or other dispute resolution process, audit, investigation and indemnification costs and expenses, judgments, penalties, fines and settlements and any other costs and expenses and the fees, costs and expenses of complying with all applicable laws, rules and regulations, (ix) all fees, costs and expenses of maintaining the existence of the Fund and the general partner of the Fund, including franchise taxes and partnership registration, registered agent fees and expenses, (x) fees paid to directors of the Fund or its general partner, (xi) all fees, costs and expenses of the wind down and dissolution of the Fund and the liquidation of the assets of the Fund in connection therewith, (xii) all debt service obligations, including principal, interest, premium, if any, fees, expenses and other amounts payable in respect of indebtedness of the Fund, and any of its subsidiaries, utilization and refinancing of any credit facility and any related expenses or professional fees incurred in connection with any procedure reports for lenders and any indemnification obligations and any loan administration costs, (xiii) all taxes and/or tax-related interest, duties, fees and other governmental charges levied against the Fund and all related filing fees and tax consulting fees and expenses and all entity-level taxes, (xiv) the out-of-pocket expenses incurred in connection with complying with provisions in side letters, including "most favored nations" provisions, (xv) broken-deal expenses to the extent not reimbursed by an entity in which the Fund has invested or proposes to invest or other third parties, (xvi) any out-of-pocket expenses incurred in connection with any transfer of interests in the Fund, (xvii) and any other expense borne by the Fund, the general partner of the Fund or Onex Credit pursuant to the Fund's Governing Document, including, but not limited to, the following: additional expenses for operating costs such as director fees, legal, accounting, auditing, and other professional expenses, research expenses (including costs and expenses related to subscriptions to industry publications and research services), client related professional liability and other insurance (including, with respect to certain clients that are pooled investment vehicles, policies covering special purpose vehicles formed to act as general partner of such clients), all fees, costs and expenses of maintaining the legal existence of the client and any special purpose vehicles formed to act as general partner of such client (including, without limitation, franchise taxes and partnership registration,

registered agent fees and expenses), investment expenses such as commissions, interest on margin accounts and other indebtedness, custodial fees, rating agency expenses, broker expenses, asset pricing and asset rating service expenses, compliance services and software, programming and data entry services, registrar and transfer agent expenses, banks service fees, direct fees and expenses such as legal fees and due diligence expenses related to the analysis, purchase or sale of investments (whether or not consummated).

In addition, in certain instances, a Fund has borne and may, in the future, bear expenses in respect of an existing or prospective investment that was not or will not be borne by other owners of or lenders to such borrower (including co-investors or co-investment funds), where Onex Credit has determined such arrangement to be in the best interest of such Fund (e.g., a Fund engages or pays for a consultant for services in respect of a borrower without reimbursement by other owners of or lenders to such borrower).

Broken Deal Expenses

The general partners of the Funds and Onex Credit have the discretion to require the Funds to pay 100% of the amount of any broken deal expenses whether or not there are co-investors that are committed to or expected to participate in such investment or transaction or a potential co-investment opportunity or a syndication to third parties or other transaction participants (including, without limitation, the borrower's management) are contemplated in connection with such investment or transaction. In the event that any potential investment of a Fund results in broken deal expenses and all or a portion of such broken deal expenses are not paid or reimbursed by any potential co-investment vehicles, co-investors or other third parties or transaction participants, as applicable, the Fund may be required to bear 100% of the amount of any such broken deal expenses. While certain of such broken deal expenses may be reimbursed by offsetting certain amounts payable to Onex Credit or one or more of its affiliates, there can be no assurance that sufficient offsetting fees will be generated to reimburse all such broken deal expenses.

Allocation of Shared Expenses

Onex Credit and its affiliates have incurred and may, from time to time, incur fees, costs and expenses on behalf of more than one Fund and/or Onex Credit or its affiliates. In that event, expenses will be allocated by Onex Credit pro rata based on assets under management as of the beginning of the relevant period in which the expenses are incurred or paid; provided, however, that Onex Credit has deviated and, in the future, may deviate from pro rata allocations with respect to expenses that, in Onex Credit's view, disproportionately benefit a particular client or group of clients.

To the extent set forth in such clients' Governing Documents, clients may also incur a share of Onex Credit's professional liability insurance, expenses related to compliance with all applicable laws, rules and regulations and any related filings (including, in each case, for the avoidance of doubt any costs incurred in respect of any legal or other advisers retained in connection therewith). In addition, client assets have been and, in the future, may be invested in a master-feeder structure. Feeder funds bear a pro rata share of the expenses associated with the related master fund.

Other Benefits

Onex Credit and/or its affiliates and personnel can be expected to receive certain intangible and/or other benefits arising or resulting from their activities on behalf of the Funds that will not be subject to the management fee offset or otherwise shared with the Fund investors. For example, airline travel or hotel stays incurred in connection with Fund business may result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to

value, inure exclusively to Onex Credit and/or its affiliates and personnel even though the cost of the underlying service is borne by the Funds.

Service Provider Selection

Certain advisors and other service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents), or their affiliates, to Onex Credit, a Fund or the borrowers in which it has invested, also provide services to or have business, personal, financial or other relationships with Onex Credit and/or its affiliates. For example, such advisors and service providers may also be investors in or co-investors alongside a Fund, sources of potential investment opportunities, or counterparties to or otherwise involved in transactions or matters with Onex Corporation, its affiliates, other Funds, Onex Credit, other borrowers, and/or the personnel of any of the foregoing. Although these relationships may have the appearance of influencing the decision whether to select or recommend such service provider to perform services for a Fund or a borrower (the cost of which will generally be borne directly or indirectly by such Fund or such borrower, as applicable), Onex Credit seeks to ensure service provider selection is merit-based and any potential conflicts of interest are mitigated.

Conflicts of Interest

The allocation of expenses by Onex Credit between it and any client and among clients represents a conflict of interest for Onex Credit. Onex Credit has adopted an expense allocation policy that is designed to address this conflict. Onex Credit allocates expenses to each client in accordance with the client's arrangements with Onex Credit. Onex Credit seeks to allocate shared expenses for products and services benefitting Onex Credit and the client in a fair and reasonable manner. Onex Credit allocates common client expenses among multiple clients pro rata based on assets under management. However, Onex Credit has deviated and, in the future, may deviate from pro rata allocations with respect to expenses that, in Onex Credit's view, disproportionately benefit a particular client or group of clients. When considering whether to allocate in a different manner with respect to a particular expense, Onex Credit may consider the following factors, among others: transaction-related expenses; frequency of trading; whether the expense relates to a single asset or group of assets; or whether the expense relates to a single strategy or a group of strategies. Where Onex Credit determines that an expense disproportionately benefits a particular client, Onex Credit may charge all or part of the expense to that client, such that the allocation of the expense is fair and equitable.

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

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

See Item 5 above as to the performance-based compensation or allocations to which Onex Credit or its affiliates may be entitled.

Onex Credit employs a wide range of investment objectives and strategies for its clients. These differing objectives and strategies raise potential conflicts of interest. For example, Onex Credit may buy a security for one client account while it is selling that security for another client account. In addition, Onex Credit may cause one client account to buy a particular security “long” and another client account, subject to any limitations in the Governing Documents of such client account, to sell that same security “short”. In specific instances, Onex Credit’s strategies have resulted and, in the future, may result in buying and selling different securities and instruments within a borrower’s capital structure for different clients. Accordingly, it is possible that one client may acquire an instrument that is senior in the capital structure of a borrower relative to an instrument for a different client that is more junior in the capital structure (including common stock). In certain circumstances, such as if the credit quality of the borrower deteriorates, Onex Credit may owe conflicting fiduciary duties to multiple clients, in that action taken to protect the interest of one set of holders may be detrimental to, or conflict with the interests of, other holders of that borrower’s securities or instruments. When Onex Credit causes its clients to take opposite positions with respect to a particular security or investment, or to invest in securities of a borrower with varying seniority in the borrower’s capital structure, actions taken by Onex Credit for one set of clients may disadvantage other sets of clients.

Onex Credit recognizes that some of the Funds have different terms in respect of fees and performance allocations and that, accordingly, actual or perceived conflicts of interest may arise in allocating opportunities to, between or among the Funds and/or other accounts managed, advised or controlled by or otherwise related to Onex Credit. Onex Credit recognizes its fiduciary duty to act in the best interests of the Funds and exercises due care to ensure that investment opportunities are allocated fairly and in accordance with the terms of the applicable Governing Documents, including a consideration of the investment objectives and parameters of such Funds. The Governing Documents typically address such matters in detail, including to what extent opportunities must be allocated to a particular Fund, whether co-investment is permissible and whether and on what terms Onex Credit, any of its affiliates, other investment vehicles they may manage and the principals of Onex Credit (the “Principals”) must or may participate in those opportunities. Subject to compliance with those terms and the terms of the Governing Documents or applicable law dealing with potential conflicts that must be reported to the relevant boards, advisory boards, or conflicts committees, or that require consent of relevant bodies or investors, investment decisions, including allocations, are made in the reasonable discretion of Onex Credit.

Securities or other investments acquired by Onex Credit for its clients through an offering will be allocated pursuant to the procedures set forth in Onex Credit’s allocation policy. The policy provides that Onex Credit will determine the proposed allocation of limited offering securities after considering the factors described below with respect to general allocations of securities or other investments and determining those Fund accounts eligible to hold such securities or other investments. Eligibility will be based on the legal status of the clients and the client’s investment objectives and strategies.

Without limiting the foregoing, Onex Credit recognizes it is not permissible to allocate, or to fail to allocate, an investment opportunity to, between or among Funds on the basis of the amount of compensation or profit that is likely to be realized for Onex Credit and its affiliates.

The primary investment opportunity allocation principles for each Fund are derived from the Fund Governing Documents. In that regard:

Parallel Vehicles. When two or more investment vehicles are formed as part of the same investment program for the purpose of making the same investments on a side-by-side basis (“Parallel Vehicles”), investments will generally be allocated among the Parallel Vehicles based on their relative capital commitments, subject to all terms, conditions and limitations in the Governing Documents for each of the Parallel Vehicles.

Predecessor/Successor Funds. Certain new investment funds do not begin investment activities until their respective predecessor fund has invested or committed a significant portion of its aggregate capital commitments. As a result, issues related to allocation of investment opportunities may arise when Onex Credit begins investing a successor to an existing Fund prior to the expiration of the commitment period of the existing Fund. In general, the Governing Documents will set forth rules and procedures for the allocation of investment opportunities among such Funds and subject to such rules and procedures, opportunities will be allocated according to the reasonable determination of Onex Credit. In making such determination, Onex Credit will take into account such matters as the age and funding status of the relevant Funds vis-à-vis their respective commitment periods and Fund termination dates, the extent to which capital has been committed, called and returned to Fund investors, the composition of the portfolio of the Funds, any relevant legal, regulatory or tax considerations, and the expected ownership period of a particular asset, for example.

Co-investment and Joint or Strategic Investors. Onex Credit has raised and, in the future, may raise co-investment funds or establish co-investment vehicles to participate in Investments on a side-by-side basis with a Fund in accordance with the Governing Documents of a Fund. Further, a Fund may pursue an opportunity jointly with another private credit fund or credit fund sponsor in appropriate circumstances, which may include, for example, the size, nature, location, prior investment experience or other relevant factors relating to the target investment, the potential partner, the process or the opportunity.

Onex Credit has full discretion in determining to whom and in what relative amounts to allocate co-investment opportunities, whether through an entity it or one of its affiliates controls or directly into an operating company. In exercising its discretion, Onex Credit may consider a variety of factors. Furthermore, as Onex Credit may allocate co-investment opportunities as Onex Credit determines in its sole discretion, the recipients thereof may include no investors in a Fund, or one or more investors in a Fund and not others (including others that may be similarly situated to those receiving allocations of co-investment opportunities), clients or potential clients of Onex Corporation or its affiliates, Onex Corporation or its affiliates, employees of Onex Corporation or its affiliates, or funds or accounts established for any such persons, and on such terms as Onex Credit determines in its discretion. Such co-investors typically will invest and dispose of their investments at the same time and on the same terms as the Fund making the investment.

The economic participation of co-investors in an investment opportunity may be substantial and may involve greater risks than an investment in which there are no co-investors. It is possible that a co-investor may at any time have interests that are inconsistent with those of Onex Credit or a Fund. In addition, co-investors may be in a position to obtain additional information regarding the applicable investment that may not generally be available to investors in the Fund.

Investments Away from Existing Funds. The Funds generally comprise blind-pool funds with an ongoing entitlement to new investment opportunities that meet their investment objectives and parameters as set forth in the applicable Governing Documents. Investments may only be allocated outside of the existing

Funds in accordance with their respective Governing Documents and subject to the terms, conditions and limitations therein.

Reference is made to Items 10 and 11 below for a further discussion of potential conflicts of interest and the manner in which they are addressed by Onex Credit.

ITEM 7.

TYPES OF CLIENTS

Onex Credit's clients consist of pooled investment vehicles, including private funds, closed end funds, CLOs and separately managed accounts.

Onex Credit generally requires that each investor in a Fund be an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended, a "qualified client" within the meaning of the Advisers Act, and typically, either a "qualified purchaser" or a "knowledgeable employee" within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act"). Onex Credit typically offers investment opportunities to banks and other financial institutions, public and private pension and profit-sharing plans, insurance companies, charitable organizations, government agencies or other institutional investors, as well as high-net-worth individuals. Certain advisors and other service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents) to a Fund's general partner, a Fund or its operating companies may also be investors in or co-investors alongside a Fund.

With respect to any client that is a pooled investment vehicle, any initial and additional subscription minimums are disclosed in the Governing Documents for the pooled investment vehicle.

ITEM 8.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Onex Credit utilizes a variety of methods to make investment decisions and recommendations. Onex Credit applies a fundamental, research-driven and value-oriented approach to non-investment grade credit markets. Onex Credit's investment processes are iterative and combine bottom-up with top-down analyses. Onex Credit uses a variety of resources to source investment opportunities including, but not limited to industry related research, trade publications, discussions with industry participants, company management and legal and financial professionals.

Upon identifying a potential investment, depending on the particulars of the investment and strategy, Onex Credit may perform an analysis of the value of the company as well as its ability to fund its fixed obligations, including interest expense, and capital expenditures. This analysis often starts with a forward-looking evaluation of the company's business model, including its expected cash flow under various economic and industry conditions, tangible asset value, competitive strengths and weaknesses, as well as the quality of its existing management team. In addition, Onex Credit may perform a structural analysis, including a review of the rights and interests of each creditor/equity holder in the company's capital structure, including protective debt covenants, collateral protection, seniority and other contractual rights as well as any other legal issues surrounding the company. Finally, Onex Credit may analyze an issuer's market liquidity by examining its size, current and historical trading activity, the number and type of holders, and its historical and current bid-ask spread. For event driven opportunities, the nature of the event, and the prospective timing of various scenarios, may be analyzed.

Investment Strategies

Onex Credit manages the following strategies:

- *CLO Strategy* – Onex Credit performs certain investment management functions, including supervising and directing the investment and reinvestment of assets held by CLO vehicles in accordance with the terms of its advisory agreements. The assets of a CLO primarily consist of loan instruments that are issued by leveraged non-investment grade companies and rated lower than Baa3/BBB- by Moody's or Standard & Poor's, respectively.
- *Direct Lending Strategy* – Onex Credit seeks to achieve its investment objective for clients following its Direct Lending Strategy primarily by investing in senior secured loans of private equity sponsor-owned portfolio companies and selectively other family-owned and corporate borrowers. Clients following the Direct Lending Strategy will invest primarily in senior secured loans and other loan investments of companies in less cyclical and less capital-intensive industries predominantly in the United States and, selectively, in Canada and Europe. Onex Credit will use leverage in the Direct Lending Strategy in accordance with each client's Governing Documents.
- *Senior Credit Strategy* – Onex Credit seeks to achieve its investment objective for clients following its Senior Credit Strategy primarily by purchasing exposure to senior secured loans, which broadly defined consists of loan instruments that are rated lower than Baa3/BBB- by Moody's or Standard & Poor's, respectively, and certain unrated loans.

Syndicated leveraged loans include first and second lien loans as well as unsecured loans. It is anticipated that the assets held by Clients following the Senior Credit Strategy will primarily be exposed to and/or invested in first-lien leveraged loans as well as first-lien secured high-yield bonds and Onex Credit may seek additional return by selectively purchasing exposure to and/or investing in second lien leveraged loans as well as unsecured high-yield bonds. Clients following the Senior Credit Strategy may also invest opportunistically in special situations. These clients may purchase exposure through the use of derivatives and swaps and may invest directly (or by participation) in syndicated loans, high-yield debt and stressed and distressed bank debt. Clients following the Senior Credit Strategy will hold only long positions and therefore will have a long only exposure to the market for senior obligations. For certain clients, Onex Credit will use leverage in the Senior Credit Strategy in amounts Onex Credit deems prudent for such clients.

- *High-Yield Strategy* – Onex Credit seeks to achieve its investment objective for clients following its High-Yield Strategy by purchasing a portfolio consisting primarily of corporate fixed income instruments of North American issuers, including high-yield bonds (senior secured and senior unsecured), senior floating rate loans of varying maturities and other floating rate fixed income securities.
- *Opportunistic Senior Loan* – Onex Credit seeks to achieve its investment objective for clients following its Opportunistic Senior Loan Strategy primarily by purchasing exposure to first-lien senior secured debt obligations that it believes are trading at discounts due to the dislocation in the credit market. The Opportunistic Senior Loan Strategy focuses on investments in North America and Europe. Onex Credit will use leverage in the Opportunistic Senior Loan Strategy in amounts Onex Credit deems prudent for certain clients.
- *Structured Credit* – Onex Credit seeks to achieve its investment objective for clients following its Structured Credit Strategy primarily by purchasing interests in CLOs backed by senior secured loans with a geographic focus on the United States and Europe. It is anticipated that clients following the Structured Credit Strategy will target investments in CLOs that are primarily backed by loans Onex Credit already monitors or owns, however, it is not anticipated that clients following the Structured Credit Strategy will invest in CLOs managed by Onex Credit. Onex Credit will use leverage in the Structured Credit Strategy in amounts Onex Credit deems prudent for certain clients.
- *Capital Solutions* – Onex Credit seeks to achieve its investment objective for clients following its Capital Solutions Strategy primarily by employing a flexible investment mandate that can execute on both secondary trading opportunities and private/originated transactions. Clients following the Capital Solutions Strategy generally will not be restricted with respect to ratings, asset class or liquidity of investment opportunities. Onex Credit has used and, in the future, may use leverage in the Capital Solutions Strategy.

Material Risks

These methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear those risks. The transactions in which the Funds engage involve substantial risks and are suitable only for those investors who have the financial sophistication and expertise to understand and accept such

risks. No assurance can be given that the investment objectives of the Funds will be achieved or that investors will receive a return of or will realize a profit on their investments in the Funds.

Prior to committing to any Fund, potential investors are furnished with a confidential offering memorandum which sets forth in detail the material risks associated with such investment and cautions that returns may be unpredictable, that the possibility of a partial or total loss of capital will exist and that investors should not commit unless they can readily bear the consequences of such loss. All investors are required to represent in their subscription materials that they have carefully read the risk factor disclosure and understand all such risks. Prospective investors are also advised in the confidential offering memoranda that the risk factors and other investment considerations described therein are not necessarily a complete list or explanation of all risks involved and are advised to consult their own counsel and other advisors.

The following summary identifies the material risks related to Onex Credit's significant investment strategies and should be carefully evaluated before making an investment with Onex Credit; however, the following does not intend to identify all possible risks of an investment with Onex Credit or provide a full description of the identified risks. Not all of these risks apply to each strategy. Without limiting the foregoing or (i) the disclosure set forth in the Funds' offering documents and Governing Documents and (ii) the acknowledgements made by investors in their subscription agreements or otherwise, the discussion below summarizes certain of the material risks associated with investments in the Funds:

- *An Investment in a Fund Will Not be Suitable to All Investors* – An investment in certain of the Funds requires a long-term commitment with no certainty of return. Further, the terms of any realization transaction will necessarily be affected by economic and other market conditions at the time. An investment in a Fund is suitable only for certain sophisticated investors that have no need for immediate liquidity in their investment, who understand that they may lose all or a significant portion of their invested capital and have the wherewithal to fund amounts due over time in respect of their capital commitments. Investors must be willing to bear the economic risk of an investment in a Fund for an indefinite period of time. Any investor interested in an investment in a Fund should conduct its own investigation and analysis of the product and consult its own professional advisers as to the risks involved in making such an investment.
- *Restrictions on Transfer and Withdrawal; Lack of Liquidity for Interests* – There are restrictions both at law and in the Governing Documents on the transferability of Fund interests, and investors generally may not withdraw capital from a closed-end Fund and must provide notice to withdraw capital from an open-end Fund. Consequently, investors may not be able to liquidate their investments prior to the end of a Fund's term.
- *Changes in Environment* – The investment program of each closed end fund is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which the fund operates may undergo substantial changes, some of which may be adverse to such fund. The general partner or manager of a fund will have the exclusive right and authority (within limitations set forth in the Governing Documents of such fund) to determine the manner in which a fund responds to such changes, and investors in such fund will have no right to withdraw or to demand specific modifications to such fund's operations except in exceptional circumstances. Investment sourcing, selection, management and liquidation strategies and procedures exercised by the Onex Credit investment team may not be successful, or even practicable, throughout a fund's term. Within the limitations set forth in the Governing Documents of such fund, the general partner or manager of such fund will

have the right and authority to determine such fund's investment sourcing, selection, management and liquidation strategies and procedures.

- *Prior Investment Performance Not Indicative of Future Results* – The performance of prior investments by Onex Credit or its affiliates is not necessarily indicative of future results. On any given investment, total loss of the investment is possible.
- *Dependence on Key Personnel* – The success of the Funds depends in substantial part upon the skill and expertise of Onex Credit's investment professionals and the other individuals employed to assist them. There can be no assurance that these individuals will continue to be employed or engaged by Onex Credit or its affiliates. The loss of their services could have a material adverse effect on the success of the Funds.
- *Market Risks* – The profitability of a significant portion of the investments depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Onex Credit will be able to accurately predict these price movements. Although Onex Credit may attempt to mitigate market risk through the use of long and short positions (in those portfolios permitted to short) or other methods, there may be a significant degree of market risk.
- *Borrower-Specific Changes* – Changes in the financial condition of a borrower or counterparty, changes in specific economic or political conditions that affect a particular type of investment or borrower, and changes in general economic or political conditions can increase the risk of default by a borrower or counterparty, which can affect a security's or other instrument's value. The value of securities or loans of smaller, less well-known borrowers can be more volatile than that of larger borrowers. Smaller borrowers can have more limited product lines, markets, or financial resources.
- *Interest Rate Risks* – Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities.
- *Hedging* – There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while Onex Credit has entered into and may, in the future, enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for Onex Credit's investment portfolios than if Onex Credit did not engage in any such hedging transactions.
- *Inflation* – Certain countries have experienced and may, in the future, experience substantial, and in some periods extremely high, rates of inflation. Inflation and rapid fluctuations in inflation rates have had and continue to have negative effects on the economies and securities markets (both public and private) of certain countries in which the Funds may invest and may materially and adversely affect the Funds' investment results.

- *Leverage* – Performance may be more volatile if a client’s account employs leverage. Leverage is inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Leveraged capital structures of investments will increase the exposure of certain investments to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the investment. Ultimately, these factors could adversely affect the client’s return on its investment.
- *Available Opportunities and Competitive Marketplace* – The Funds compete for investment opportunities with a significant number of other credit funds as well as with institutional and other investors. As a result of this competition, there can be no assurance that a Fund will be able to source suitable investment opportunities, to acquire them on appropriate terms, to achieve its targeted rate of return, or to fully invest its committed capital.
- *Accuracy of Third-Party Information* – Investments may be selected in part on the basis of information and data made available directly or indirectly by third parties or filed by third parties with various government regulators. The relevant Fund’s general partner and Onex Credit may not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available.
- *Financial Fraud* – Instances of fraud and other deceptive practices committed by senior management of borrowers in which a Fund invests may undermine Onex Credit’s due diligence efforts with respect to such companies and, if such fraud occurs, negatively affect the valuation of a Fund’s investments. In addition, when discovered, financial fraud may contribute to overall market volatility that can negatively impact a Fund’s investment program.
- *Expedited Transactions* – Investment analyses and decisions by Onex Credit may be undertaken on an expedited basis in order for a Fund to take advantage of investment opportunities. In such cases, the information available to a Fund at the time of an investment decision may be limited, and that Fund may not have access to the detailed information necessary for a full evaluation of the investment opportunity.
- *Uncertainty of Financial Projections* – Projected operating results will typically be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General global economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.
- *Early Termination of a Fund* – It is possible that a Fund may be dissolved and terminated prematurely, and as a result, may not be able to accomplish its objectives and may be required to dispose of its investments at a disadvantageous time or make an in-kind distribution (resulting in investors not having their capital invested and/or deployed in the manner originally contemplated).
- *Investments Longer than Term* – A Fund may make investments that may not be advantageously disposed of prior to the date such Fund will be dissolved, either by

expiration of such Fund's term or otherwise. There can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the investors will occur.

- *Secondary Transactions* – Onex Credit could propose to a Fund's limited partner Board of Advisors or investors one or more transactions that would enable such investors to monetize or restructure all or a portion of their interests in a Fund, including through the use of a continuation vehicle (each such transaction, a "Secondary Transaction"). The sale of an investment to a continuation vehicle could result in certain investors, the general partner and/or members of the Onex Credit (including employees and affiliates) disposing of their investments in the underlying assets at a different time than some or all investors of such fund and otherwise taking actions with respect to such investments that are different than the actions taken by other investors. Onex Credit could be subject to other conflicts of interests in connection with a Secondary Transaction, including with respect to investment valuations, allocation of fees and expenses and the offering of investment opportunities to the Funds and co-investors.
- *Distributions in Kind* – Although, under normal circumstances, the Funds intend to make distributions in cash, cash equivalents or marketable securities, it is possible that under certain circumstances (including upon the dissolution of a Fund) distributions have been and may, in the future, be made in kind and could consist of securities for which there is no readily available public market.
- *Reinvestment* – Under certain circumstances, proceeds distributable (or previously distributed) to the investors that constitute a return of capital contributions have been and, in the future, may be retained and reinvested (or recalled for reinvestment) by a Fund or used (or recalled for use) by a Fund for any other proper purpose. Amounts available for recall will be restored to the investors' respective unfunded Commitments. Accordingly, investors may be required to fund for investments or expenses during the term of a Fund in an aggregate amount that significantly exceeds its Commitment.
- *Indemnification* – Pursuant to the terms of the Governing Documents, Onex Credit and certain of its affiliates and related persons will generally be entitled to indemnification from a Fund, which might ultimately have to be funded by Fund investors and may even result in an obligation to return distributions.
- *Risks Relating to Admission of Benefit Plan Investors to the Funds* – It is possible that the assets of a Fund could be deemed to constitute "plan assets" of investors which are subject to the fiduciary provisions of the U.S. Employee Retirement Income Security Act or the prohibited transaction rules of Section 4975 of the Internal Revenue Code. In that case, the operations of a Fund could be materially affected and transactions into which that Fund might enter in the ordinary course of business may be deemed to constitute prohibited transactions under such laws.
- *Lack of Diversification* – Client accounts may not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios may be subject to more rapid change in value than would be the case if Onex Credit were required to maintain a wider diversification among types of securities and other instruments.

- *Currency Risk* – Although the functional currency of many of the Funds is United States dollars, the Funds have made and may, from time to time, make investments using currencies other than United States dollars. The value of the investments made by the Funds may fluctuate as a result of the impact of economic and political changes on currency exchange rates. Certain Funds (or classes or series of interests within one or more Funds) have functional currencies other than United States dollars and Funds may offer non-United States dollar interests. Funds have engaged and, in the future, may engage in hedging to address risks in large price changes for such other currencies.
- *Failure to Make Capital Contributions* – If a Fund investor fails to satisfy its contractual funding obligations, the Fund’s ability to complete its investment program or otherwise continue operations may be impaired or otherwise affected. Further, the defaulting investor may suffer meaningful adverse consequences as set forth in the Governing Documents.
- *Mandatory Withdrawal* – A Fund investor could be required to withdraw from a Fund prior to the termination and liquidation of that Fund if Onex Credit determines that continued participation could materially adversely affect that Fund or in certain other circumstances as further described in the relevant Governing Documents (for example, by causing a Fund to be registered as an investment company under the Investment Company Act or causing a Fund’s assets to be treated as plan assets). Fund investors required to withdraw early under these circumstances could suffer a diminution of return or material loss on its investment.
- *Public Disclosure Obligations* – Certain affiliates of Onex Credit and/or borrowers of a Fund’s investments may be publicly-traded companies. Public company status could give rise to disclosure obligations in respect of a Fund or its operations or investments, which may result in the disclosure of information that would otherwise be considered confidential. There may be additional disclosure obligations imposed by applicable law or regulation in respect of Onex Credit, the Funds, their affiliates, or Fund investors that may be viewed by any particular Fund investor as adverse.
- *Freedom of Information Act* – Onex Credit has withheld and may, in the future, withhold all or any part of the information otherwise to be provided to a Fund investor under certain circumstances in order to prevent public disclosure of such information under the Canadian Access to Information Act, the U.S. Freedom of Information Act (“FOIA”), any governmental public records access law, any state, provincial or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.
- *Loss of Limited Liability* – Fund investors may lose limited liability in certain circumstances if they are deemed to have taken part in the control or management of the business of a Fund. Limited liability may also be lost as a result of false statements in documents filed under, or other non-compliance with, legislation governing limited partnerships and in jurisdictions where there is a risk of non-recognition of the protection of limited liabilities with respect to creditors of the Funds whose claims derive from liabilities incurred in such jurisdictions.
- *Liability for Return of Distributions* – Under applicable law, Fund investors could be required to return distributions previously made by a Fund if it is determined that such

distributions were wrongfully made or in certain other circumstances set forth in the Governing Documents.

- *Legal, Tax and Regulatory Risks* – The regulatory considerations affecting the ability of a Fund to achieve its investment objectives are complicated and subject to change and can result in significant compliance costs and expenses. In addition to the risks and complications arising under applicable tax laws and other laws specifically addressed in the Funds’ confidential offering memoranda or Governing Documents, further legal, tax and regulatory circumstances could arise during the term of a Fund that may adversely affect a Fund or its investors.
- *Other Regulatory Concerns* – The Funds are not required to be, and are not, registered as investment companies under the Investment Company Act; thus, its provisions are not applicable. Onex Credit intends that the Funds and their activities will not become subject to that statute but should that nonetheless occur, the activities and performance of the Funds could be materially adversely affected. Neither Onex Credit nor its counsel can assure investors that the Funds may not become subject to such regulation. In addition, Section 13 of the Bank Holding Company Act of 1956, as amended (together with the rules, regulations and published guidance thereunder, the “Volcker Rule”), generally prohibits certain “banking entities” from engaging in proprietary trading, or from acquiring or retaining an ownership interest in, sponsoring or having certain relationships with “covered funds”, unless pursuant to an exclusion or exemption under the Volcker Rule. Each purchaser of the interests of the Funds must make its own determination as to whether it is subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain any such interests. Investors in the interests of the Funds are responsible for analyzing their own regulatory position and none of the Funds or any of their affiliates make any representation to any prospective investor or purchaser of such interests regarding the treatment of the Funds under the Volcker Rule, or to such investor’s investment in the interests of the Funds on the date of issuance or at any time in the future. The general partners of the Funds and/or Onex Credit operate pursuant to an exemption from registration with the CFTC as a CPO under CFTC Rule 4.13(a)(3); consequently, the CFTC and the National Futures Association (“NFA”) have not reviewed or approved the Funds’ confidential offering memoranda or any offering memoranda for the Funds.
- *Regulatory Status* – Onex Credit is registered as an investment adviser pursuant to the Advisers Act and, as such, is subject to the provisions of the Advisers Act. In addition, Onex Credit is registered in the Canadian province of Ontario as a Portfolio Manager, in the provinces of Ontario, Quebec and Newfoundland and Labrador as an Investment Fund Manager and in all the provinces and territories of Canada as an Exempt Market Dealer and, as such, is subject to the provisions of the Securities Act (Ontario), National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations and the other applicable provisions of the securities and other laws of each of the provinces and territories of Canada. Onex Credit has determined that it does not require any such Canadian registrations and has applied to the applicable Canadian provincial regulators to surrender all of its Canadian registrations. Upon approval of the surrender of Onex Credit’s Canadian registrations, it will no longer be regulated as a registrant in Canada. Failure to comply with the requirements imposed on Onex Credit as a consequence of its current registrations or requirements that may be imposed as a result of future registrations may have a significant adverse effect on Onex Credit’s ability to perform its duties to the Funds. Onex Credit’s ability to source and execute

transactions for the Funds may also be adversely affected by negative publicity arising from any regulatory compliance failures or other inappropriate behavior attributed to or any other publicity related to Onex Credit, any affiliate of Onex Credit or any of their respective investment professionals.

- *Changes in Applicable Law* – The Funds must comply with various legal requirements, including requirements imposed by laws governing anti-money laundering, bribery and corruption, securities, commodities, tax and pensions. A failure to satisfy the requirements of those laws or changes in the applicable law over the life of a Fund or of any of its investments could have material adverse consequences on that Fund and/or its investors. In recent years, the SEC has increased its scrutiny of the private fund industry, including conducting numerous examinations and bringing a number of enforcement actions against private fund managers. Changes in law or regulations may adversely affect the value of investments held (directly or indirectly) by clients, may affect the ability of clients to pursue their investment strategies, or may restrict or prevent Onex Credit from continuing to perform services for clients in the manner currently contemplated. The SEC has also more recently proposed a number of new rules and regulations that, if finalized, would prohibit certain practices that have previously been addressed through disclosure and significantly expand the information disclosed to investors and the SEC. The effect of any future regulatory changes on Onex Credit, the clients or their investments could be substantial and result in material amendments to the terms of the Governing Documents.
- *Withdrawal of the United Kingdom from the European Union* – The United Kingdom (“UK”) withdrew from the European Union (“EU”) on January 31, 2020 (“Brexit”). In connection with Brexit the UK and the EU agreed the Trade and Cooperation Agreement (“TCA”) which took effect from January 1, 2021, that governs the future trading relationship between the UK and the EU in specified areas. Notably, the TCA does not include an EU-wide cooperation arrangement for financial services, with UK firms instead having to negotiate individual EU member state regulations and cooperation/recognition arrangements.

There can be no assurance that any negotiated laws, taxation and/or regulations will not have an adverse impact on the Funds and their investments, including the ability of the Funds to achieve their investment objectives. The ongoing effects of Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management (due in part to redenomination of financial assets and liabilities), an adverse effect on the ability of Onex Credit to manage, operate and invest the Funds and increased legal, regulatory or compliance burden for Onex Credit or the Funds, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Funds.

- *Effect of Fees and Expenses on Returns* – A Fund will pay management fees and will bear expenses as described in Item 5 above and in each Fund’s Governing Documents, which may reduce the actual returns to investors. Such management fees and expenses are payable whether or not the investments of the Funds are profitable.
- *Global Economic Conditions; Market Dislocation* – General global economic conditions may affect the Funds’ activities. Interest rates, general levels of economic activity, fluctuations in the market prices of securities and participation by other investors in the

financial markets may affect the value of investments made by the Funds. Market conditions affecting, for example, liquidity and volatility, credit availability and financial conditions generally, could change at any time. These changes could have a material adverse effect on the ability of Onex Credit to complete the Funds' investment programs and to realize on investments, on the terms of those investments, or on the business, operations, condition or prospects of the borrowers. National and global market and economic conditions may deteriorate during the term of the Funds, and such conditions could deteriorate materially and for an extended period of time.

- *Market Discussion and Economic Outlook* – The market outlook, trends, opportunities and other matters presented in the relevant confidential offering memoranda are based on various estimates and assumptions, including about future events. There can be no assurance that such market outlook, trends, opportunities and other matters will materialize.
- *Public Health Concerns and Epidemics* – The impact of disease and epidemics may have a negative impact on a Fund and its investments, each of its respective affiliates, and the performance and financial position of each of the foregoing. The COVID-19 (as defined below) pandemic, renewed outbreaks of other epidemics or the outbreak of new epidemics have or could result in health or other government authorities requiring the closure of offices or other businesses and have or could result in general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, the operations of any of the foregoing persons could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on any of the foregoing persons. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated.

In December 2019, a novel strain of coronavirus surfaced (“COVID-19”) and spread around the world, with resulting business and social disruption of a significant nature. The speed and extent of the spread of COVID-19 and the duration and intensity of resulting business disruption and related financial and social impact have been material and are expected to remain material for the foreseeable future. While governmental agencies and private sector participants have sought to mitigate the adverse effects of COVID-19, which have included such measures as heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel and other restrictions, and, more recently, the medical community has developed multiple vaccines and other treatment options, the efficacy of such measures is uncertain, including in light of more recent and future variants of COVID-19. Also, delays and other logistical issues relating to vaccination of large segments of the population continue to significantly impact the timeline of a COVID-19 recovery. Onex Credit's operations and business results, including with respect to a Fund and its investments, could continue to remain materially adversely affected by the COVID-19 outbreak for the foreseeable future.

- *Business Continuity Plans* – In the event of unforeseen catastrophic events such as natural disasters, terrorist attacks and epidemics, Onex Credit will initiate its business

continuity plan to safeguard that its employees have the resources and technology necessary to continue their responsibilities and investment and investor needs. Onex Credit is not able to predict the level of disruption that such catastrophic events may have on its operation or the ability of its plan to succeed in a time of crisis. Thus, its business continuity plan may be insufficient to continue operating Onex Credit's business as usual in light of such unforeseen circumstances. Any insufficiency in the business continuity plan could cause interruptions in the operations of Onex Credit, the Funds and their investments, and/or each of their respective affiliates.

- *Climate Change Laws and Regulations Restricting Emissions of Greenhouse Gases* – In response to published findings that emissions of carbon dioxide, methane and other greenhouse gases (“GHGs”) present an endangerment to public health and the environment, the Environmental Protection Agency (“EPA”) has adopted regulations under existing provisions of the federal Clean Air Act that, among other things, establish Prevention of Significant Deterioration (“PSD”) construction and Title V operating permit reviews for certain large stationary sources that are potential major sources of GHG emissions. Facilities required to obtain PSD permits for their GHG emissions also will be required to meet “best available control technology” standards that will be established by the states or, in some cases, by the EPA on a case-by-case basis. These EPA rulemakings could adversely affect an investee's operations. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified sources in the United States on an annual basis.

In January 2021, the Biden administration issued an executive order directing all federal agencies to review and take action to address any federal regulations, orders, guidance documents, policies and any similar agency actions promulgated during the prior administration that may be inconsistent with the administration's policies. In March 2022 the SEC proposed significant rulemaking intended to enhance and standardize climate-related disclosures by public companies, including disclosure of GHG emissions. In addition, Congress has considered legislation to restrict or regulate emissions of GHGs. While it remains unclear whether Congress will be able to agree on comprehensive climate legislation in the near future, energy legislation and other initiatives may seek to address GHG emissions issues. In the absence of federal climate legislation, almost half of the states, either individually or through multi-state regional initiatives, have begun to address GHG emissions, primarily through the planned development of emission inventories or regional GHG cap and trade programs. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact a Fund's investment program, any such future laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, an investee's operations could require it to incur costs to reduce or report emissions of GHGs. Finally, it should be noted that some scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events; if any such effects were to occur, they could have an adverse effect on the operations of Onex Credit, the Funds, and their investees.

- *Regulatory Changes* – A company in which the Funds invest could be materially and adversely affected as a result of new laws or regulations, or statutory or regulatory changes or changes in judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company, the markets in which such company operates or such company's industry generally. Such

changes could materially and adversely affect the performance of one or more of the Funds' investments. Moreover, additional regulatory approvals and permits, including renewals, extensions, transfers, assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and regulations, a change in the companies' customer(s), or for other reasons. Changes in laws and regulations could result in increased compliance costs, additional capital expenditures or unanticipated liabilities. An investee also could be materially and adversely affected by regulations that have been vacated, remanded or otherwise limited by court decisions, which creates considerable uncertainty as to how these regulations will be modified and/or ultimately implemented. Any such modifications could alter the competitive landscape and/or the nature of the markets in which an investee operates in a material and adverse manner to such investee.

- *Investors Will Not Participate in Management of the Funds* – Investors in the Funds generally will not have the right to participate in the management of the Funds or in decisions made by Onex Credit with respect to a Fund on its behalf. As a result, investors will have almost no control over their investments in a Fund or their prospects with respect thereto.
- *Limited Access to Information* – Investors' rights to information regarding the Funds will be specified, and strictly limited, in the Governing Documents, although certain investors may have the right to additional information pursuant to rights in side letters or similar agreements. In particular, it is anticipated that Onex Credit and its affiliates will obtain certain types of material information related to a Fund's investments and prospective investments that will not be disclosed to investors because such disclosure is prohibited by contractual, legal or other obligations or Onex Credit determines not to disclose such information for other reasons. Decisions to withhold information may have adverse consequences for investors in a variety of circumstances. Additionally, it is expected that investors who designate representatives to participate on a Board of Advisors to certain funds may, by virtue of such participation, have more information about a Fund and investments in certain circumstances than other investors generally and may be disseminated information in advance of communication to other investors generally. In addition, due to the fact that existing or potential investors in a Fund may ask different questions and request different information, Onex Credit may provide certain information to one or more existing or prospective investors that it does not provide to all prospective investors.
- *Unspecified Use of Proceeds* – The Funds and their investors will be dependent upon the judgment and ability of Onex Credit in investing and managing the capital of the Funds.
- *Lack of Registration under the U.S. Securities Exchange Act of 1934* – Onex Credit is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or with the Financial Industry Regulatory Authority and is consequently not subject to the recordkeeping and specific business practice provisions of those statutory regimes to the extent they vary from the applicable provisions of the Advisers Act.
- *Special Risks Associated with Offshore Investments* – A Fund has invested and, in the future, may invest a portion of its capital in borrowers that are headquartered and have their principal operations outside the U.S., Canada and Western Europe. These

investments may involve economic, political, market, currency, legal, tax-related and other special risks not typically associated with investments in securities of U.S., Canadian or Western European borrowers.

- *Difficulty in Valuing Investment Portfolio* – The valuation of a Fund’s portfolio of Investments, which will affect the Fund’s performance results, involves uncertainties and subjective determinations. As a result, valuation of a Fund’s Investments may not reflect the price at which a Fund could dispose of its investments at any given time. The process of valuing Investments for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had a ready market existed for such Investments and may differ from the prices at which such securities may ultimately be sold. Because Onex Credit determines in its discretion the value of certain Fund assets, potential conflict of interest exists in making valuation determinations given the potential impact of such valuations on a Fund’s performance, particularly with respect to an account that pays performance fees.
- *Amendment to the Governing Documents* – The Governing Documents of the Funds will typically provide that the general partner of a Fund may amend the Governing Documents in certain circumstances without the approval of any investors. Any such amendments may have an adverse effect on some or all of the investors.
- *Anti-Corruption Laws* – Onex Credit, the Funds and/or borrowers may be subject to the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, the Canadian Corruption of Foreign Public Officials Act and other anticorruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations (collectively, the “Anti-Corruption Laws”). Any determination that Onex Credit, the Funds and/or any borrower has violated any Anti-Corruption Law could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct and/or securities litigation, any one of which could adversely affect Onex Credit, the Funds and/or the borrowers.
- *Applicability of EU law in the UK* – As a result of a withdrawal from the EU by the UK, and subject to agreement on the terms of any future UK-EU relationship, EU law (or its incorporated equivalent) may cease to apply in the UK in the future. However, many EU laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. As a result, depending on the terms of the UK’s future relationship with the EU, substantial amendments to English law may occur. At this time it is not possible to predict the consequential impact of such changes on the Funds or their investments, business, financial condition, results of operations or prospects, or whether such consequential impact will be materially detrimental to investors.
- *The AIFMD and the UK AIFMR* – The Directive on Alternative Investment Fund Managers, together with any supplementary regulation implemented in the UK following Brexit (“UK AIFMR”), or subordinate legislation or guidance thereto implemented in any relevant jurisdiction (the “AIFMD”), imposes requirements on AIFMs (as defined in the AIFMD) that market AIFs (as defined in the AIFMD) to professional investors who are domiciled or have a registered office within the European Economic Area (the “EEA”) or the UK, as applicable. The UK AIFMR currently imposes compliance obligations that are

broadly similar to those described below in connection with a non-EEA AIFM marketing a non-EEA AIF.

For these purposes certain of the Funds are non-EEA and non-UK AIFs and Onex Credit is a non-EEA and non-UK AIFM. As a non-EEA entity, Onex Credit is required to comply with the national private placement regimes in those EEA member states that allow private placement and in which interests in a Fund are marketed and sold. Compliance with these requirements may result in significant additional costs over the life of the Funds and may reduce returns to investors. In addition, Onex Credit relies on third party AIFMs to manage certain of its AIFs from time to time. Onex Credit and its affiliates and agents have endeavored to comply with these rules as interpreted, but there is not absolute certainty as to their successful compliance. In the event that Onex Credit or any of its affiliates or agents, including any third party AIFMs, is found to have breached the provisions of the AIFMD (inadvertently or otherwise), such parties (and/or a Fund indirectly) may face regulatory sanctions and/or EEA investors may seek to rescind their interests, which would result in significant costs and ultimately materially and adversely affect such Fund.

- *EU and UK Regulatory Risks Relating to Investments in CLOs* – The EU (and separately the UK following Brexit) have adopted regulations/directives that require certain institutional investors (including, AIFMs) to satisfy due diligence requirements prior to making an investment in transactions constituting securitizations (together, the “EU and UK Risk Retention and Due Diligence Requirements”).

“Securitization” under the EU and UK securitization regulations (the “Securitization Regulations”) is broadly defined. CLOs, CBOs and other traditional securitizations fall within the definition, but so do other non-securities related transactions involving the “tranching” of credit. Certain Funds intend to invest in securitizations as defined under the Securitization Regulations.

“AIFM” in the Securitization Regulations is also broadly defined and it is unclear if any manager of a Fund falls within the definition. If a manager of a Fund is determined to be an AIFM and any investment made by a Fund is determined to be a securitization in relation to which the AIFM has failed to comply with the requirements of AIFMD or the Securitization Regulations, such failure may have an adverse effect on the performance of any Fund.

- *Environmental, Social & Governance (“ESG”) Matters* – ESG matters have been the subject of increased focus by regulators in the US and EU, among other jurisdictions. While Onex Credit strives to implement ESG practices, there can be no assurance that Onex Credit will be able to identify all ESG issues or will be able to successfully implement its ESG policies. The use of ESG metrics in the investment process may be subjective and are not subject to uniform standards, and, as such, there is no guarantee that Onex Credit will be able to accurately assess and measure the ESG risks and ESG compliance of a Fund’s investments and/or potential investments. ESG-based exclusionary criteria may result in a Fund foregoing opportunities to make certain investments when it might otherwise be advantageous to do so, and/or selling certain investments due to their ESG characteristics when it might be disadvantageous to do so. The use of ESG criteria may affect a Fund’s investment performance and, as such, a Fund may perform differently compared to similar funds that do not use such criteria. Additionally, it should not be assumed that any ESG practices or standards will apply to

every investment in which a Fund invests or that they have applied to all of a Fund's prior investments. ESG is only one of many considerations that Onex Credit takes into account when making investment decisions, and other considerations can be expected in certain circumstances to outweigh ESG considerations. Any ESG information provided is intended solely to provide an indication of ESG initiatives and standards that Onex Credit applies when seeking to evaluate and/or improve the ESG characteristics of an investment as part of the larger goal of maximizing financial returns on investments. Accordingly, certain investments may exhibit characteristics that are inconsistent with the practices or standards described herein.

- *Data Privacy Risk* – The General Data Protection Regulation (“GDPR”) governs the processing of personal data and is directly applicable in all EEA member states. The GDPR has been imposed into UK law as the UK General Data Protection Regulation (“UK GDPR”) and sits alongside the UK Data Protection Act 2018 (together the “UK DP Laws”). To the extent that Onex Credit actively offers investment opportunities to, or monitors the behavior of, natural persons located in the EEA and the UK, Onex Credit will be: (i) deemed to be a “controller” ; (ii) required to comply with the GDPR, UK DP Laws and any applicable local derogations; and (iii) subject to certain rules with respect to cross-border transfers of personal data from the EEA and the UK.

For non-compliance, the GDPR imposes fines of up to €20 million (£17.5 million) or 4% of a company's total worldwide annual turnover of the preceding financial year, whichever is higher. In relation to any alleged non-compliance, Onex Credit may therefore incur additional costs, become subject to regulatory investigations or fines, face civil claims (including representative actions and class action type litigation) and experience serious reputational damage - all of which may affect how Onex Credit conducts its business reducing capital and time that can be deployed for making investments.

- *Benchmark Risk* – CLOs or other structured products in which the Funds may invest may issue obligations and may be backed by loans or other instruments that pay interest based on the London Interbank Offered Rate (“LIBOR”). LIBOR and certain other “benchmarks” have been the subject of national, international, and other regulatory guidance and reform. The phasing out and eventual discontinuation of LIBOR, or the replacement of LIBOR with an alternative reference rate such as the Secured Overnight Financing Rate (“SOFR”), may adversely affect the Funds' credit arrangements and may negatively impact the expected return on a Fund's portfolio and/or the availability of instruments designed to hedge a Fund's exposure to LIBOR, and such impacts may be material. Although it is expected that certain loan obligations that bear interest based on LIBOR will migrate to a new benchmark, there is no guarantee that (i) such transition will occur, and if it occurs, when such transition will occur, (ii) SOFR will replace LIBOR as the benchmark for such loan obligations and (iii) any spread adjustment adopted in connection with such transition will be representative of LIBOR as of the date of determination of such benchmark. When LIBOR is discontinued as a benchmark rate, it may cause an increase in the volatility of LIBOR and SOFR prior to the consummation of any such change. There is no certainty as to what rate or rates may become market-accepted alternatives to LIBOR or how those alternatives may impact investment returns. There may not be any alternative benchmark that reflects the composition and characteristics of LIBOR, and there may be dramatic shifts in debt investments and the debt markets generally, which could negatively impact the expected return on the Funds' portfolios.

As a result of the expected transition, interest rates on loans, deposits, derivatives, and other financial instruments tied to LIBOR rates, as well as the revenue and expenses associated with those financial instruments, may be adversely affected. There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which could have a material adverse effect on the Funds' business, result of operations, and financial condition.

With respect to investments made or to be made by a Fund in underlying CLOs, there is a risk of interest rate mismatch where the benchmark rates on the underlying portfolio of assets may differ from the benchmark rates applicable to the debt obligations issued by such underlying CLOs. In addition, some of the CLOs or other vehicles in which a Fund may invest may have a limited ability to change from LIBOR to a new rate, or may only be able to change to a rate that may not match the rate adopted by their underlying investments. Even if such vehicles are permitted to modify their rates, there is no assurance that such vehicles will make any such changes. Any such rate changes or resulting mismatches could result in negative implications for a Fund's investments.

- *Natural Disasters, Geopolitical Events and Similar Dislocations* – Upon the occurrence of a natural disaster, or upon an incident of war, riot or civil unrest, the impacted country may not efficiently and quickly recover from such event, which can have a materially adverse effect on borrowers and other developing economic enterprises in such country. Also, geopolitical events and the fear of a prolonged global conflict can result in increased short-term economic volatility. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, major disruptions in credit markets and uncertainties relating to sovereign debts and economic stability or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, result in longer holding periods for investments and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. The effects geopolitical events, military action or similar events on global and domestic economies and securities markets cannot be predicted. Such disruptions of the global financial markets could affect interest rates, ratings, credit risk, inflation and other factors relating to a Fund's investments.
- *General Partner Carried Interest* – The existence of incentive fees, carried interest or performance allocations with respect to the Funds may create an incentive for Onex Credit or its affiliates to make riskier or more speculative investments on behalf of the Funds than they might otherwise make in the absence of these arrangements. In addition, the terms applicable to incentive fees, carried interest distributions or performance allocations could incentivize Onex Credit and its affiliates to make decisions regarding the timing and structure of realizations of investments that may not be in the best interests of the Funds. Further, Onex Credit or its affiliates may be incentivized to hold on to investments that have poor prospects for improvement in order to receive, potentially, a more likely or larger carried interest distribution if such asset's value appreciates in the future. Under the recent U.S. tax reform bill, in order for gains that are attributable to Onex Credit or an affiliate's incentive fee or carried interest distribution to qualify as long-term capital gain, the holding period for the asset giving rise to such gains generally must exceed three years. For the investors in a Fund, gains in respect of assets held for

more than one year may qualify as long-term capital gain. Long-term capital gain recognized by non-corporate U.S. taxpayers may be subject to U.S. federal income tax at preferential rates. These disparate holding period requirements may give rise to conflicts of interest. Onex Credit may have an incentive to take actions intended to maximize the amount of gains from assets held for more than three years, even though Fund investors may not derive any additional U.S. federal income tax benefit from the longer holding period.

- *Use of Subscription Lines* – The Funds have funded and, in the future, may fund the making of investments with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of investors, i.e., subscription lines) prior to calling capital commitments. The interest expense and other costs of any such borrowings will be borne by the applicable Fund and, accordingly, may decrease net returns of such Fund. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the applicable Fund. In light of the foregoing, Onex Credit has an incentive to cause such vehicle to borrow in this manner in lieu of drawing down capital commitments, subject to the Governing Documents of each Fund. In addition, because amounts borrowed under a subscription line typically are secured by pledges of the relevant general partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if a Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder.
- *Allocation of Personnel* – Conflicts may arise in the allocation of time, services and function among the Funds and such other persons to which Onex Credit, the Principals or their affiliates provide services.
- *Tax Liability* – Although the relevant confidential offering memoranda seek to address the reasonably identifiable and material tax considerations for potential Fund investors, it is possible that investors may have unexpected or unwelcome tax obligations as a result of a Fund's activities or their status or actions in respect thereof.
- *Limited Partner Board of Advisors* – Certain of the Funds have a Board of Advisors which acts as a representative of the investors in that Fund in respect of certain matters, which may include reviewing valuations of a Fund's assets and addressing potential conflicts of interest (including being authorized to provide consent on behalf of a Fund in connection with certain affiliate transactions, Advisers Act "assignments" or as otherwise requested by Onex Credit). The Boards of Advisors may not have the same interests as investors in the Fund. In addition, members of the Board of Advisors may have conflicts of interest that do not disqualify them from voting on or consenting to matters submitted for consideration or review. Each Fund indemnifies the members of the Board of Advisors, and the members of the Boards of Advisors do not owe a fiduciary obligation to the Fund or its investors.
- *Material Non-Public Information* – Certain personnel of Onex Credit have acquired and, in the future, may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a

transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

- *Limited Remedies Against the General Partner* – There can be no assurance that adequate remedies will be available to any investors if the general partners of the Funds, Onex Credit or the principals of the general partners of the Funds or Onex Credit fail to perform their respective duties, and the Governing Documents do not afford the investors rights to remove a Fund's general partner other than upon a supermajority vote or for specified cause events as described in the applicable Governing Document. The Governing Documents include provisions for exculpation and indemnification of the general partners, Onex Credit and each of their respective affiliates and the members, partners, managers, officers, directors, shareholders, employees, agents, representatives, investors, affiliates, advisors and other personnel of the general partners, Onex Credit and their respective affiliates. Therefore, Fund investors may have more limited rights of action than they would have absent such limitation.
- *Cybersecurity Risk* – The information and technology systems of Onex Corporation, Onex Credit and of key service providers for the foregoing and its clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Onex Credit has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for Onex Credit to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of Onex Credit or its Fund accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Onex Credit or the Funds' reputation, subject them and their respective affiliates to legal claims and/or regulatory investigation and otherwise affect their business and financial performance. Although Onex Corporation and Onex Credit take various measures and has made, and will continue to make, significant investments to ensure the integrity of information systems and to safeguard against such failures or security breaches, there can be no assurance that these measures and investments will provide adequate protection. Despite security measures, information technology networks may be vulnerable to attacks by third parties or breached due to employee error, malfeasance or other disruptions.
- *Risk Management Failures* – Although Onex Credit attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by Onex Credit, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of clients may be incomplete or altogether ineffective. Similarly, Onex Credit may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to clients.

- *Systems and Operational Risk* – Onex Credit relies on certain financial, accounting, data processing and other operational systems and services that are employed by Onex Credit and by third party service providers, including prime brokers, third-party administrators, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, Onex Credit and its clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the clients' operations. In addition, despite certain measures established by Onex Credit and third-party service providers to safeguard information in these systems, Onex Credit, clients and their third-party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.

The following summary identifies the material risks related to the type of investments that are typically made for clients by Onex Credit and should be carefully evaluated before making an investment with Onex Credit; however, the following does not intend to identify all possible investments that may be made, or all possible risks related to such investments. Not all of these risks apply to each strategy. The following is not meant to supersede the material contained in the Governing Documents of each client that is a private pooled vehicle and investors and potential investors in a private pooled vehicle should refer to the Governing Documents of such vehicle for a further discussion of the applicable risks.

- *Leveraged Loans* – Leveraged loans have historically experienced greater default rates than has been the case for investment grade loans. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on leveraged loans and such loans may be subject to a higher risk of default. The ultimate amount of defaults with respect to such loans and timing of the recoveries may substantially diminish the expected investment returns achieved by clients investing in such loans. In addition, leveraged loans may experience volatility in the spread that is paid on such leveraged loans. Such spreads will vary based on a variety of factors, including, but not limited to, the level of supply and demand in the leveraged loan market, general economic conditions, levels of relative liquidity for leveraged loans, the actual and perceived level of credit risk in the leveraged loan market, regulatory changes, changes in credit ratings and the methodology used by credit rating agencies in assigning credit ratings, and such other factors that may affect pricing in the leveraged loan market. Since leveraged loans may generally be prepaid at any time without penalty, the obligors of such leveraged loans would be expected to prepay or refinance such leveraged loans if alternative financing were available at a lower cost.
- *Non-Investment Grade Loans* – A non-investment grade loan or an interest in a non-investment grade loan as well as certain preferred equities are generally considered speculative in nature and may default for a variety of reasons. Defaulted loans 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 loan. In addition, such negotiations or restructuring may be extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted loan. The liquidity for defaulted

loans may be limited, and to the extent that defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon.

- *Preferred Stock and Other Equities* – The Funds may invest in preferred stock which may have characteristics of both debt and equity. Dividend payments to preferred stockholders may be suspended or cancelled if the issuer experiences liquidity difficulties and the principal paid for preferred stock is generally subordinate to the debt obligations of the issuer. Preferred stocks are not generally entitled to meaningful covenant protection. Additionally, some preferred stocks may be non-cumulative, which means that the issuer does not ever have to declare or pay dividends on the stock or make-up any missed dividends. Also, when the Funds invest in senior secured loans or mezzanine loans, equity securities may be acquired as part of the transaction. The Funds may also invest directly in equity securities, typically with a goal of ultimately disposing such equity interests and realizing gains upon disposition. However, the equity interests may not appreciate in value and, in fact, may decline in value. Accordingly, the Funds may not be able to realize gains from equity interests, and any gains that are realized on the disposition of any equity interests may not be sufficient to offset any other losses experienced.
- *Second Lien Loans and Unsecured Loans* – Second lien loans are subordinate to the senior secured debt of the related borrower in right of payment from the proceeds of the liquidation of the property securing such second lien loans. Therefore, second lien loans are subject to additional risks that the cash flows of the property securing such second lien loans may be insufficient to make the scheduled payments after giving effect to any senior secured debt of the related borrower. Such lien subordination is also expected reduce the liquidity of second lien loans vis-à-vis senior secured loans. Unsecured loans are not secured obligations and do not have the benefit of a pledge of property. The absence of a security interest may make unsecured loans more illiquid investments than either senior secured loans or second lien loans and is likely to result in lower recoveries following a default.
- *Covenant-Lite Loans* – Loans that Onex Credit invests in on behalf of its clients include loans that are considered “covenant-lite” loans, meaning they lack the protective covenants usually found in more traditional loan facilities and are generally subject to less restrictions on collateral, payment terms and level of income. A covenant-lite loan borrower is not typically subject to maintenance covenants requiring such borrower to comply with one or more financial covenants whether or not such borrower has taken any specified action. Ownership of covenant-lite loans may expose Onex Credit’s clients to different and increased risks, including with respect to liquidity, price volatility, and the ability to restructure such loans when compared to ownership of loans that are subject to maintenance covenants and other protective covenants.
- *High-Yield Securities* – High-yield securities include “high-yield” bonds and preferred securities that are not investment grade. Securities in the lower rating categories are subject to greater risk of loss, as to timely repayment of principal and timely payment of interest or dividends than higher-rated securities. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. The yields and prices of lower-rated securities may tend to fluctuate more than those for higher-rated securities. In addition, adverse publicity and

investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of the securities.

- *Commercial Loans and Loan Participations* – Commercial loans and loan participations include investments in syndicated, commercial bank loans, whether acquired through assignment or participation. Participation interests may limit the client's ability to exercise its rights against a borrower and entail certain contractual relationships among the lender and the lending group which could be disadvantageous to the client.
- *Opportunistic Credit* – Subject to restrictions set forth in the applicable Governing Documents, certain Funds will have broad and flexible investment mandates, and may hold a portfolio of investments that could include, without limitation, distressed/defaulted debt instruments and securities, mezzanine investments, preferred stock, convertible securities, options and warrants, capital structure arbitrage investments, zero coupon and PIK bonds, equity investments, credit derivatives, total return swaps, structured products, CLOs, investments in publicly traded companies and a wide variety of other investments and investment strategies. Each of these investments has unique characteristics that involve correlated and uncorrelated risks and investors and potential investors should refer to the Governing Documents of such Funds for further information regarding such risks.
- *Troubled Companies and Special Situations* – Certain fund may invest in special and event-driven situations and/or high-risk or troubled companies. These investments typically involve a substantial degree of risk. For example, Funds making investments in troubled companies may be required to accept cash or securities with a value less than their investment and may be prohibited from exercising certain rights with respect to such investment. Troubled company investments may not show any returns for a considerable period of time and may be subject to significant litigation risks. Investments in companies involved in actual or anticipated special situations (e.g., acquisitions, spin-offs, reorganizations and liquidations, tender offers and bankruptcies) are often highly speculative and could subject a Fund, directly or indirectly, to certain additional potential liabilities.
- *Derivatives* – Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments can involve a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or Onex Credit.
- *Cash and Cash Equivalents* – The Funds have held and, in the future, may hold cash and cash equivalents at any given time during its term. Available cash and cash equivalents may be held in interest-bearing accounts, funds managed by third-party financial institutions or other similar instruments. The Funds' access to their invested cash and

cash equivalents may be impacted by adverse conditions in the financial markets, and the Funds are subject to the risk that they may lose assets in connection with bank or other financial institution failures. The balances of accounts with third-party financial institutions can be expected to exceed the Federal Deposit Insurance Corporation insurance limits, or the limits of the deposit insurance regimes of other applicable jurisdictions, as applicable. While the Funds will make efforts to monitor the cash balances in their operating accounts and adjust the cash balances as appropriate, these cash balances could be impacted if the underlying financial institutions fail or other adverse conditions in the financial markets occur.

- *Non-U.S. Securities* – Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. One or more of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.
- *CLO Investments* – The Funds have invested and, in the future, may invest in pools and tranches of CLO products (including “equity” or residual tranches) and other securitizations, which are generally limited recourse obligations of the issuer payable solely from the underlying assets of the issuer or proceeds thereof. Consequently, holders of equity or other securities issued by these issuers must rely solely on distributions on its underlying assets or proceeds thereof for payment in respect thereof. CLOs may include, among others, domestic and foreign senior secured loans, senior unsecured loans and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans. The underlying assets of issuers of CLOs may include, without limitation, broadly-syndicated leverage loans, middle-market bank loans, CBO debt tranches, trust preferred securities, insurance surplus notes, asset-backed securities, mortgages, REITs, high-yield bonds, mezzanine debt, second-lien leverage loans, credit default swaps and emerging market debt and corporate bonds, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks, and may also include assets and properties that are owned, directly or indirectly, by one or more other accounts. The aggregate return on CLO equity securities will depend in part upon the ability of each investment manager to actively manage the related portfolio of the assets of such issuers of CLOs.

Certain of the Funds’ investment strategies with respect to certain types of investments may be based, in part, upon the premise that certain investments (either held directly or through a CLO) that are otherwise performing may from time to time be available for purchase by the relevant Fund at “undervalued” prices. Purchasing interests at what may appear to be “undervalued” or “discounted” levels is no guarantee that these investments will generate attractive risk-adjusted returns to the Fund or will not be subject to further reductions in value. No assurance can be given that investments can be acquired or realized at favorable prices or that the market for such interests will continue to improve since this depends, in part, upon events and factors outside the control of Onex Credit. In addition, there can be no assurance that current market conditions may not deteriorate during the life of the relevant Fund, which could have a materially adverse effect on the assets of such Fund. Actual or perceived trends in debt markets do not guarantee, predict

or forecast future events, which may differ significantly from those implied by such trends.

- *Special Purpose Acquisition Companies (“SPACs”)* – Onex Credit or the Funds have provided and, in the future, may provide financing to or acquire the securities of one or more SPACs. A SPAC is a company that has no operations, but intends to merge with, acquire or otherwise invest in another company. Investing in such securities involves considerations not usually associated with investing in securities of other types of companies, including, among other risks, the risk that a SPAC may not complete an investment in another company and be forced to liquidate its assets at a loss to Onex Credit or the Funds.
- *Future Investment Techniques and Instruments* – Subject to the Funds’ investment restrictions and other guidelines, the Funds may employ other investment techniques and invest in other instruments that Onex Credit believes will help achieve the Funds’ investment objectives, whether or not such investment techniques or instruments are specifically described in this Brochure or the Governing Documents. Such investments may be more speculative than existing investment strategies and techniques employed by Onex Credit on behalf of the Funds and may involve material and as-yet-unanticipated risks.

ITEM 9.
DISCIPLINARY INFORMATION

Neither Onex Credit nor any of its employees have been subject to any legal or disciplinary events that would be material to its business or to an investor or prospective investor's evaluation of Onex Credit or the integrity of its professionals.

ITEM 10.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Except as described below, neither Onex Credit nor any of its “management persons” have relationships or arrangements with related persons who are financial industry participants that are material to the business of Onex Credit or that create a material conflict of interest with the Funds or their investors.

Actual or perceived conflicts of interest may exist between Onex Credit and Onex Corporation and its affiliates. Onex Corporation has been a private equity investor since 1984, almost 20 years prior to the establishment of the first of the Funds. In 1999, Onex Corporation launched the first of the ONCAP funds, a series of private equity funds managed by ONCAP Management Partners L.P. and focused on investing in North American small and medium-sized businesses (the “ONCAP Funds”). The ONCAP Funds are active in the marketplace and the fourth and most recent ONCAP Fund closed in 2016. In 2003, Onex Corporation established the first of the Onex Partners funds, a platform focused on larger private equity transactions managed by Onex Partners Manager L.P., and subsequently raised four further Onex Partners funds (the “Onex Partners Funds”). In June 2019, Onex Corporation acquired control of Gluskin Sheff, a large Canadian wealth management firm serving high net worth families and institutional investors with a focus on public securities investing. In December 2020, Onex Corporation indirectly acquired control of Onex Falcon, an investment adviser registered under the Advisers Act that provides advisory services to private investment funds and a business development company (the “Falcon Funds”) with a focus on private credit and structured equity investments in the lower middle market. Onex Corporation may in the future seek to expand its activities in real estate and credit, and may also seek to engage in additional investment or asset management businesses that are complimentary to its existing platforms.

Each of the Onex Partners Funds, the Falcon Funds and ONCAP Funds and the other businesses described above have their own dedicated investment teams and typically pursue investment opportunities that are different in nature from those sought by Onex Credit for the Funds with limited overlap. In particular, the Onex Partners Funds and ONCAP Funds, and other private equity strategies managed within Onex Corporation, including certain Falcon Funds, which have in the past and may in the future pursue private equity or structured equity transactions, typically pursue differentiated investment opportunities than those pursued by Onex Credit with regard to the investment objectives and restrictions of the Funds. Those affiliations and relationships, the potential avenues for the growth and development of the company business and its investment platforms, as well as the fact that more than one of the Funds may be a potential investor at any particular time, may lead or be perceived to lead to certain conflicts of interest around, among other things, the devotion of time and the allocation of investment opportunities. Further, it is possible that Onex Partners and the managers of other investment products advised by advisers controlled by Onex Corporation may seek to work together, with a view to the relevant fund from each fund family potentially investing together, in certain circumstances, as a result of, for example, industry expertise or relationships, prior investment experience or other factors in respect of the opportunity. Additionally, clients of affiliated advisers and investors in investment products advised by affiliated advisers of Onex Credit have been and, in the future, may be referred to clients advised by Onex Credit, and Onex Credit may from time to time refer Fund investors to investment products advised by affiliated advisers. Further, Gluskin Sheff has established and may in the future establish one or more feeder funds for its clients to participate in certain private funds managed by Onex Credit, and Onex Credit allocates certain of the fees paid by investors in such private funds to Gluskin Sheff. Certain funds managed by Gluskin Sheff may invest in the securities of High Yield Credit Strategy issuers. Although the Falcon Funds are currently separately managed by Onex Falcon, Onex Corporation will be indirectly allocated a portion of management fees and/or carried interest paid by investors in the Falcon Funds.

Because the Funds are considered to be affiliates of Onex Falcon Direct Lending BDC Fund (“Onex Falcon BDC”), which has elected to be regulated as a business development company under the Investment Company Act, a Fund may be prohibited under the Investment Company Act from participating in certain transactions involving Onex Falcon BDC or affiliates of Onex Falcon BDC. Onex Falcon has been granted an exemptive order by the SEC (the “Order”) to permit Onex Falcon BDC to co-invest with the Funds and other clients advised by Onex Credit and its related persons, subject to compliance with various conditions. The Order requires that any opportunities that are appropriate for both Onex Falcon BDC and other clients advised by Onex Credit and its related persons will need to be offered to the Onex Falcon BDC, and any such investments, if made, will need to be conducted in compliance with the conditions of the exemptive relief and related requirements under the Investment Company Act. The Investment Company Act also restricts the ability of the Funds to invest alongside Onex Falcon BDC in certain transactions that are not covered by the Order. The Investment Company Act also prohibits certain affiliates of Onex Credit BDC from selling securities to or buying securities from Onex Credit BDC or a company controlled by Onex Credit BDC absent exemptive relief from the SEC or otherwise subject to an exemption under the Investment Company Act. In general, in the event that a Fund seeks to participate in the same or similar investments as another client advised by Onex Credit or its related persons, Onex Credit will seek to allocate transactions and investment opportunities among its clients in a manner it believes to be as equitable as possible over time, considering its fiduciary obligations to its clients and each client’s investment objectives, limitations and capital available for investment, among other factors, as well as applicable regulation under the Investment Company Act.

If permitted by the relationship terms, Onex Credit’s clients may make or participate in loans to companies in which Onex Corporation (or its affiliates) has made or is proposing to make an equity or debt investment (each an “Onex Portfolio Company” or collectively, “Onex Portfolio Companies”). Making or participating in loans to Onex Portfolio Companies may present certain conflicts of interest and/or present certain regulatory issues to a client. For example, if a client makes or participates in a loan to an Onex Portfolio Company and the Onex Portfolio Company enters bankruptcy, the client could be deemed an “insider” for purposes of the Bankruptcy Code of the United States (the “Bankruptcy Code”). Insider status under the Bankruptcy Code could adversely affect the client’s ability to collect on the loan by subjecting the client to equitable subordination (i.e., the threshold of inequitable conduct that needs to be shown to invoke this remedy is lower when the holder of the claim is an insider and the burden of proof to show that any particular transaction was fundamentally fair will be on the client, not the bankruptcy trustee), increased exposure to preference suits (i.e., more transactions will be potentially avoidable as preferential as the reach-back period will be one year rather than 90 days) and other restrictions under certain circumstances. Further, due to its affiliation with Onex Corporation, Onex Credit may become aware of material non-public information concerning certain companies and as a result of such knowledge, or as a result of certain internal policies adopted by Onex Credit, Onex Credit may at times be precluded from acquiring or disposing of investments it would otherwise wish to acquire or dispose. There may also be other areas of overlap between Onex Corporation’s or its affiliates’ activities or customers and the client or portfolio companies in which the client is invested. Finally, Onex Credit may determine not to make or participate in loans to Onex Portfolio Companies or may adopt procedures intended to minimize potential conflicts and/or regulatory or tax issues, which procedures may have the effect of limiting the client’s ability to acquire or dispose of loans to Onex Portfolio Companies.

Certain of the limited partnerships or private funds for which Onex Credit or one of its related persons (including without limitation Onex Falcon and its related persons) serves as general partner or investment manager has and may in the future enter into agreements, or side letters, with certain prospective or existing limited partners or shareholders whereby such limited partners or shareholders may be subject to terms and conditions that are more advantageous than those set forth in the other Governing Documents for the partnership or fund. For example, such terms and conditions may provide for special rights to

make future investments in the partnership, other investment vehicles or managed accounts; special redemption rights, relating to frequency or notice; a waiver or rebate in fees or redemption penalties to be paid by the limited partner or shareholder and/or other terms; rights to receive reports from the partnership or fund on a more frequent basis or that include information not provided to other limited partners or shareholders (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the partnership or fund and such limited partners or shareholders. The modifications are solely at the discretion of the partnership or fund and may, among other things, be based on the size of the limited partner's or shareholder's investment in the partnership or fund or affiliated investment entity, an agreement by a limited partner or shareholder to maintain such investment in the partnership or fund for a significant period of time, or other similar commitment by a limited partner or shareholder to the partnership or fund.

Additionally, certain of the limited partnerships or private funds for which Onex Credit or one of its related persons (including without limitation Onex Falcon and its related persons) serves as general partner or investment manager has and may in the future invest in the same projects or portfolio companies with other clients managed by Onex Credit or one of its related persons. Such investments may be in different parts of the capital structure of a company in which one or more advised clients have an investment in a debt and/or equity tranche. Consequently, given the differing tranches and corresponding priorities in the capital structure of a single company, Onex Credit and its related persons may in certain circumstances face a conflict of interest in respect of the advice they have given to, and the actions they take on behalf of, the advised vehicles, particularly in the case of financial distress of the company in which such clients have invested. Onex Credit will determine allocations of investment opportunities and any resulting conflicts of interest in a manner that it believes is fair and equitable to the Funds consistent with Onex Credit's obligations to each such Fund. Onex Credit will also consider compliance with the Investment Company Act and the terms of the Order, and specifically the requirements pertaining to certain co-investment transactions between Onex Falcon BDC and other clients of Onex Credit and its related persons that are subject to the Order.

On any issue involving conflicts of interest, the general partner of the relevant Fund (or Falcon Fund, as applicable) and Onex Credit will be guided by their respective good faith judgment. In certain circumstances, the general partner may present potential conflicts of interest to the applicable Fund's Board of Directors, Board of Advisors or Conflicts Committee, if any, for approval. By acquiring an interest in the Funds and executing the subscription agreements relating thereto, each investor expressly acknowledges the existence of actual or potential conflicts of interest described in the applicable Governing Documents and waives any claim with respect to any liability arising from the existence of any such conflict of interest and also any conflicts of interest on the part of the general partner of the relevant Fund, Onex Credit or any of their affiliates arising from participation in the activities described in the Governing Documents (to the fullest extent permissible under applicable law).

Generally, Onex Credit addresses conflicts of interest by way of avoidance or disclosure and informed consent. The confidential offering memoranda and the Governing Documents for the Funds address in detail the conflicts of interest that may arise as a result of the affiliations and relationships described above. They also address the manner in which notification, consent or approval requirements may arise and any restrictions or prohibitions that may apply.

Onex Credit has filed a single Form ADV with Onex Credit Partners Europe LLP and OCM, each of which is a relying adviser. None of Onex Credit or its principals or employees are registered as a broker-dealer or a registered representative of a broker-dealer. None of Onex Credit or any of its principals or employees are registered as or affiliated with a registered futures commission merchant, commodity pool operator or commodity trading advisor.

Onex Credit is registered under the Advisers Act and, together with certain affiliates, serve as managers or general partners to certain pooled investment vehicles and managed accounts. Onex Credit and its affiliates managing those funds are under common control and are subject to Onex Credit's code of ethics and compliance program adopted pursuant to the requirements of the Advisers Act.

In addition to the foregoing protections, Onex Credit's investment personnel make significant investments in the Funds. Onex Credit believes that this strong alignment of interests between Fund investors and those charged with investing their capital further mitigates the risks associated with any potential conflicts.

For a further discussion of the Onex Credit's allocations and conflicts of interests policies, see Item 11 below.

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

Onex Credit has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act to mandate compliance with applicable U.S. federal securities laws, and to establish monitoring and other procedures. A copy of the Code can be obtained by a Fund investor or qualified prospective investor (if applicable) upon written requests.

The Code sets forth standards of ethical and business conduct expected of Onex Credit’s personnel that are commensurate with such status and that are designed to comply with the laws applicable to the Funds, Onex Credit and their activities. Among other things, the Code requires Onex Credit’s personnel: (i) to place the interests of the Funds above any personal interests; (ii) to seek to identify conflicts of interest arising as a result of personal trading and outside business activities; (iii) to conduct and report personal securities transactions as required in the Code; (iv) to report to Onex Credit’s compliance personnel any suspected violations of the Code; and (v) to comply with all applicable federal securities laws.

The Code contains specific policies and procedures dealing with such matters as personal trading and restrictions on outside business activities. The Code is accompanied by a broader compliance manual that further supports Onex Credit’s adherence to law, and more generally to prudent and appropriate processes and conduct, in the investment, management and safeguarding of the Funds’ assets, preventing insider trading, the giving and receipt of gifts and entertainment, political contributions, the raising of new funds, communications with investors and prospective investors, public and media communications, the prevention, detection and handling of concerns relating to money-laundering, bribery and corruption, and record-keeping policies and procedures.

Certain of Onex Credit’s related persons act as a general partner to partnerships for which Onex Credit acts as investment adviser and solicits investors. Also, Onex Credit has acted and, in the future, may act as investment adviser to Fund accounts that consist solely of Onex Credit’s related persons. Finally, Onex Credit may make investments for its clients or participate in loans to portfolio companies of the Onex Partners Funds, which are companies in which Onex Corporation has made or is proposed to make an equity investment, as described further in Item 10. These practices create a conflict of interest because Onex Credit has an incentive to recommend securities from (or sell securities to) clients based on its, or its related persons, own financial interests, rather than solely the interests of a client.

Onex Credit engages in transactions that are considered principal or cross transactions in which one of Onex Credit’s clients, including clients that are owned by related persons, may sell assets to another one of Onex Credit’s clients. All such transactions are done in compliance with requirements of the Advisers Act. In particular, in the execution of Onex Credit’s CLO Strategy, an affiliate of Onex Credit acts as an “originator” purchasing and selling assets to certain CLO vehicles in order to comply with EU risk retention rules. This structure is disclosed in the relevant offering materials and each such trade is approved by a third party that is independent of Onex Credit.

In addition, certain related persons of Onex Credit may, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain Funds in connection with certain “warehousing” transactions, provided that the sale is consistent with Onex Credit’s fiduciary obligations to the Funds and appropriate consents are obtained. Such transactions are fully disclosed in writing and the written consent of the appropriate Fund (which, in certain circumstances, may be provided

by the advisory committee of such Fund) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act.

From time to time, certain principals, employees, officers, directors and other related personnel of Onex Credit and its affiliates may make passive investments in other private vehicles managed by other investment advisers, including investment advisers that are related persons. Such other private vehicles may compete with the Funds with respect to investment opportunities, seek to enter into or enter into transactions with the Funds or investments held by the Funds, or make investments that compete with, are customers of, or service providers or suppliers to, investments held by the Funds. These circumstances may give rise to certain conflicts of interest.

As discussed in Item 4, the general partners of the Funds, Onex Credit and/or their respective affiliates may enter into side letters or other agreements with a particular investor in connection with its investment without the approval of any other investor. This would have the effect of establishing rights under or supplementing the terms of the other Governing Documents in respect of such investor in a manner potentially more favorable to such investor than those applicable to other investors. Such rights or terms in any such side letter or other similar agreement may include, without limitation: (i) rights to designate a member of, to the extent applicable, a Board of Advisors; (ii) excuse rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments); (iii) reporting obligations of the general partners of the Funds; (iv) waiver of certain confidentiality obligations; (v) consent to certain transfers by such investor; (vi) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor; (vii) adjustments to fees or other economics (including, without limitation, management fees, carried interest, or distributions); (viii) access to certain information; (ix) consent rights of the investor; (x) co-investment rights; (xi) tax and structuring matters; and (xii) other representations, warranties or diligence confirmations. The general partners of the Funds and Onex Credit may not be required to notify the other investors of any such side letters or of any of the rights or terms or provisions thereof, and some or all of the other investors in that Fund may not be entitled to receive such additional benefits or other rights. The general partners of the Funds, Onex Credit and/or their respective affiliates may enter into such side letters with any party as the relevant general partner may determine, in its sole and absolute discretion, at any time. Fund investors will not necessarily have most-favored-nation rights in respect of all or any of the more favorable terms provided to others and investors will have no recourse against the Funds, the general partners of the Funds or Onex Credit or any of their respective affiliates in the event that certain investors receive additional benefits or other rights pursuant to side letters that are more favorable than the terms received by other investors. As a result of certain side letters, investors holding the same interests may have different returns, or receive different information, depending on any arrangements applicable to a given investor's interest in a Fund.

The Governing Documents and any such side letters related to each Fund are detailed agreements that establish complex arrangements among Onex Corporation, Onex Credit, the Fund, its general partner and the investors. Questions will arise from time to time under these agreements regarding the parties' rights and obligations in certain situations, some of which the parties may not have considered while drafting and executing these agreements. In these instances, the applicable provisions of the agreements, if any, may be broad, general, ambiguous, or conflicting, and may permit more than one reasonable interpretation. At times, there may not be provisions directly applicable to the situation at hand. While Onex Credit will construe the relevant agreements in good faith and in a manner consistent with its legal obligations, the interpretations it adopts may not necessarily be, and need not be, the most favorable interpretations for the Funds or their investors.

In addition, Onex Credit or its related persons has invested and, in the future, may invest in the same securities (or related securities, e.g., warrants, options or futures) that Onex Credit or a related person

recommends to clients. Such practices present a conflict where, because of the information Onex Credit has, Onex Credit or its related person are in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). In addition to affecting Onex Credit's or its related person's objectivity, these practices by Onex Credit or its related persons may also harm clients by adversely affecting the price at which the clients' trades are executed. Onex Credit has adopted the following procedures in an effort to minimize such conflicts:

Onex Credit requires its access persons to pre-clear transactions in securities (with certain exceptions) in their personal accounts, and permission to execute the transaction will be denied if such transaction will have any adverse economic impact on one of its clients. Generally, personal trading will not be approved in any security that (i) a client owns or is in the process of buying or selling or (ii) Onex Credit is researching, analyzing or considering buying or selling for a client.

All of Onex Credit's access persons are required to disclose their securities transactions on a quarterly basis and holdings on an annual basis. All of Onex Credit's access persons are also required to provide broker confirmations of each transaction in which they engage and a quarterly certification of such transactions. Trading in employee accounts will be reviewed under the supervision of the Chief Compliance Officer and compared with transactions for the Fund accounts and reviewed against the restricted securities list.

Also see Onex Credit's discussion of its asset allocation rules in Item 6 and Item 16.

ITEM 12. BROKERAGE PRACTICES

Brokerage and Best Execution

Onex Credit considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and responsiveness. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, Onex Credit need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Onex Credit's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. Onex Credit's Best Execution Committee periodically evaluates the broker-dealers used by Onex Credit to execute client trades using the foregoing factors.

From time to time Onex Credit has participated and, in the future, may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by Onex Credit or recommend these private funds as an investment to clients. Onex Credit has placed and, in the future, may place client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if Onex Credit determines that it is otherwise consistent with seeking best execution. In no event will Onex Credit select a broker-dealer as a means of remuneration for recommending Onex Credit or any product managed by Onex Credit (or an affiliate) or affording Onex Credit with the opportunity to participate in capital introduction programs.

Onex Credit often purchases or sells the same security or other investment for several clients contemporaneously and using the same executing broker. It is Onex Credit's practice, where possible, to aggregate client orders for the purchase or sale of the same security or other investment submitted contemporaneously for execution using the same executing broker. Such aggregation may enable Onex Credit to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely filled, Onex Credit allocates the securities or other investments purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If an aggregated order is only partially filled, Onex Credit's procedures provide that the securities or other investments or the proceeds are to be allocated in a manner deemed fair and equitable to clients. Depending on the investment strategy pursued, the type of investment and other factors, this may result in a pro rata allocation to all participating clients (see Item 16 for additional information).

If it appears that a trade error has occurred, Onex Credit will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, Onex Credit's error correction procedure is to ensure that clients are treated fairly. Onex Credit has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. Trade errors that result other than by breach of the standard of care attributable to Onex Credit are generally borne by the Fund account.

Soft Dollar Arrangements

Onex Credit may receive research or brokerage from a broker-dealer and/or a third party in connection with client securities transactions. This is known as a “soft dollar” relationship. Onex Credit has no formal soft dollar arrangements in place to receive any specific research or brokerage services. To the extent Onex Credit may enter into soft dollar arrangements in the future, Onex Credit will limit the use of “soft dollars” to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Exchange Act (“Section 28(e)”). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

ITEM 13.
REVIEW OF ACCOUNTS

Onex Credit provides ongoing management services to the Funds. Each Fund account is reviewed by Onex Credit's portfolio managers on a periodic basis to determine whether invested positions should be maintained in view of current market conditions. Matters reviewed (depending on the investment strategy deployed for a particular client) include specific positions held, news and events related to current positions, diversification based on position and industry limits, hedging positions and gross and net exposures.

For each client that is a private pooled vehicle, that client's investors receive reports from the client pursuant to the terms of each client's Governing Documents. In addition to the information provided to all investors, Onex Credit may provide certain investors with additional information or more frequent reports that other investors will not receive. Each client that is a separate account will receive reports pursuant to the terms of the management agreement entered into with that client.

ITEM 14.
CLIENT REFERRALS AND OTHER COMPENSATION

Onex Credit is compensated exclusively for providing investment advice by its clients and investors in the Funds it manages.

Onex Credit from time to time engages third-party placement agents to solicit certain types of potential investors in the Funds. The compensation of the placement agent is negotiated in the context of the particular engagement and may be different with respect to the different Funds. Compensation of such persons for their services is at Onex Credit's expense, either directly or through an offset of management fees payable by the relevant Fund to Onex Credit. Such arrangements are disclosed to Onex Credit's clients in accordance with, and otherwise comply with, Rule 206(4)-3 under the Advisers Act, to the extent applicable.

Except as described above, neither Onex Credit nor a related person directly or indirectly compensates any unrelated person for Fund investor referrals.

ITEM 15.
CUSTODY

Onex Credit maintains assets and securities of the Funds with qualified custodians in a separate account for the Funds under the Funds' name, or in accounts that contain only funds and securities owned by the Funds under Onex Credit's name, as agent or trustee for the Fund or Funds. Custodians will generally be banks, trust companies or broker-dealers unaffiliated with Onex Credit.

Financial statements audited by an independent public accountant are provided to each Fund's investors within 120 days following the Fund's fiscal year end.

ITEM 16.
INVESTMENT DISCRETION

The Governing Documents generally provide that the applicable investment manager or general partner of each Fund has the authority to make all decisions concerning the investigation, evaluation, selection, negotiation, structuring, commitment to, monitoring of and disposition of investments, subject to compliance with the terms, conditions, restrictions and limitations set forth in the Governing Documents. Onex Credit has been engaged as the agent for each such Fund and generally has full discretionary authority to manage the Funds subject to the same terms, conditions, restrictions and limitations. In addition, Onex Credit manages a Fund for an institutional investor and its clients where such investor has certain pre-clearance rights with respect to the Fund's investments.

ITEM 17.
VOTING CLIENT SECURITIES

Onex Credit has written proxy voting policies and procedures as required by Rule 206(4)-6 under the Advisers Act.

To the extent Onex Credit has been delegated proxy voting authority on behalf of its clients, Onex Credit will vote such securities in a manner that serves the best interest of the Funds and in accordance with the relevant Fund's Governing Documents and any voting agreement or shareholders' agreement entered into in connection with the relevant investment.

Clients may provide specific voting guidelines for voting proxies.

If Onex Credit determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, Onex Credit will take action in accordance with the Funds' Governing Documents and as otherwise determined to be in the best interest of the Funds in voting such proxy. This may include seeking approval of the voting decision for a proxy proposal from the relevant Fund's Board of Directors, Board of Advisors or Conflicts Committee, if any.

Copies of Onex Credit's proxy voting policies and procedures and specific information as to how proxies have been voted are available to Fund investors upon request by email at sgutman@onexcredit.com or by telephone at 201-541-2121.

ITEM 18.
FINANCIAL INFORMATION

Item 18A is not applicable.

Onex Credit is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients and has not been the subject of any bankruptcy petitions at any time, including in the past ten years.