

**Item 1 – Cover Page**

Investcorp Investment Solutions LLC  
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Part 2A of Form ADV: Firm Brochure

June 30, 2022

Form ADV, Part 2A (the “Brochure”) provides information about the qualifications and business practices of Investcorp Investment Solutions LLC (“IIS LLC” or the “Firm”). If you have any questions about the contents of this Brochure, please contact Brian Murphy, Chief Compliance Officer, at 917-332-5719; [bmurphy@investcorp.com](mailto:bmurphy@investcorp.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.

IIS LLC is registered with the SEC as an investment adviser. IIS LLC’s registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, serve as information for you to use to determine to hire or retain IIS LLC as your adviser.

Additional information about IIS LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link “Investment Adviser Search,” select “Investment Adviser Firm” and type in IIS LLC’s name). The results will provide you with both Parts 1 and 2 of IIS LLC’s Form ADV.

## Item 2 - Material Changes

IIS LLC routinely makes changes throughout this Brochure to improve and clarify the descriptions of business practices and compliance policies and procedures, or in response to evolving industry and firm practices. Set forth below are those changes that IIS LLC believes reflect material changes since its last update of this Brochure dated June 30, 2021.

- Item 4 – Advisory Business: Updated Advisers' RAUM.

### Item 3 - Table of Contents\*

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\* A NOTE ABOUT THE FORMAT OF THIS BROCHURE: The SEC requires all investment advisers to organize their disclosure documents according to specific categories, some of which may not pertain to a particular adviser's business. Where a required category is not relevant to our business, we list the category and state that it does not apply.

## Item 4 – Advisory Business

Investcorp Investment Solutions LLC (“IIS LLC” or the “Firm”) is wholly owned by Investcorp International Holdings Inc., which is part of the Investcorp group of companies (“Investcorp Group”). The Firm is also referred to as the Investcorp Insurance Solutions Group (“IIS”). The Investcorp Group effectively operates as a management-controlled group, substantially all of whose assets and operations are owned and controlled by Investcorp S.A., a company domiciled in the Cayman Islands. Certain of the Investcorp Group’s directors and senior executive officers have the ability to indirectly control Investcorp S.A.

### Overview of Investcorp Investment Solutions’ Advisory Services

IIS LLC provides investment management services to one or more affiliated or non-affiliated insurance carriers (collectively “Insurance Carriers”). IIS LLC has the discretionary authority to supervise and direct the investment and reinvestment with respect to the cash and other assets of the Insurance Carriers as specified in the applicable investment management agreement (such assets together with all additions, substitutions, and alterations thereto, are collectively referred to herein as the “Accounts”).

As an investment adviser to Insurance Carriers, IIS LLC will typically engage in one or more of the following activities:

- Assist Insurance Carriers to develop and implement investment guidelines for Accounts;
- Perform monitoring and oversight of the Accounts; Manage the investment and reinvestment of the funds and assets of the Accounts.; and
- Provide general investment advice to certain Insurance Carriers in the capacity of an outside investment adviser and related administrative services (the “CIO Services”).

IIS LLC may retain other consultants and advisers as it deems desirable for the performance of its management responsibilities, including members of the Investcorp Group outside of IIS LLC.

IIS LLC manages all Accounts in accordance with the investment guidelines as amended or supplemented from time to time by an agreement in writing of the Insurance Carriers and the Firm (“Investment Guidelines”).

IIS LLC, either on its own or through a sub-adviser selected by IIS LLC (which may be an affiliate of IIS LLC), will seek to determine which investments are most suitable for the Accounts, to make investments at the time and in the amount deemed appropriate, to

monitor investments on an ongoing basis and to cause the Accounts to make adjustments in their investments, or to sell or redeem such investments and to make new investments. Please see Item 8 which describes the investment decision making process in greater detail.

The exact services provided are subject to negotiation with the client on a case-by-case basis.

### Assets Under Management

IIS LLC's regulatory assets under management ("RAUM") was \$99 million as of June 30, 2022.

## **Item 5 – Fees and Compensation**

Management fees assessed on each Account will be negotiated on a case basis with each Insurance Carrier and will be described in the Insurance Carrier's investment management agreement. Fees are calculated monthly in arrears and payable quarterly with respect to all periods (whole or partial months) during such quarter.

In addition, an Account will bear indirectly through its investments in underlying investments, any fees and expenses charged to investors in such underlying investments pursuant to the governing documents of such underlying investments. Such fees and expenses generally are deducted directly from the underlying investments.

### Other Fees

Affiliates of IIS LLC receive compensation for serving as placement agent, providing seed capital, acting as investment manager, as well as providing other services to certain underlying investments which Insurance Carriers may invest. The Firm does not directly receive any portion of such compensation. Nonetheless, the Firm has an incentive to invest client assets in underlying investments in which our affiliates receive compensation inasmuch as it increases the amount of compensation received by the Firm's affiliates and benefits the overall business of Investcorp. Please see Item 8, "Methods of Analysis, Investment Strategies and Risk of Loss" for additional information.

Insurance Carriers are generally responsible for brokerage, administration, and custody fees associated with their accounts. Please see Item 12, "Brokerage Practices" for a discussion of IIS LLC's brokerage practices in connection with Insurance Carrier accounts. Additional details about the fees incurred by Insurance Carrier accounts and expenses that may be allocated to Insurance Carriers (which may vary from Insurance Carrier to

Insurance Carrier), are included in the individual investment management agreements with the Insurance Carriers.

#### Negotiation of Fees; Waivers

The management fee payable by Insurance Carrier accounts to IIS LLC will be negotiated on a case-by-case basis.

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

As stated in Item 5, “Fees and Compensation” above, IIS LLC will enter into separate investment management agreement or other applicable governing documents that will describe the management fees assessed on each Account.

There are currently no Accounts that have performance-based fee arrangements. Should that change in the future the Firm will update this section of the Brochure accordingly.

Certain Insurance Carriers have similar investment objectives and strategies as other Insurance Carriers (“Similar Insurance Carriers”). As of June 30, 2022, IIS LLC is currently only managing one Insurance Carrier Account.

Certain of IIS LLC’s affiliates serve as the investment manager to their own clients’ accounts, and certain of IIS LLC’s officers, directors, employees, and affiliates invest for their own proprietary accounts or the accounts of family members. Some of these other clients and accounts (collectively with the Similar Insurance Carriers, the “Other Clients”) co-invest with Insurance Carriers in many of the same securities and investments. IIS LLC and its officers, directors, employees, and affiliates may give advice or act with respect to the Other Clients that differ from the advice given or action taken with respect to Insurance Carriers. IIS LLC’s and its affiliates’ transactions for the Other Clients may be on terms different than those offered to Insurance Carriers. The investment results of an Insurance Carrier may be different from the investment results of the Other Clients.

IIS LLC and its directors, officers, employees, and affiliates have conflicts of interest in allocating time and activities between Insurance Carriers and the Other Clients, in allocating investment opportunities among Insurance Carriers and the Other Clients, and in effecting transactions between Insurance Carriers and the Other Clients, including ones in which IIS LLC, or its directors, officers, employees or affiliates, may have a greater financial interest. IIS LLC seeks to mitigate these conflicts by having a robust asset allocation methodology with well documented and transparent investment processes.

## Item 7 – Types of Clients

IIS LLC provides discretionary investment management services to Insurance Carriers as described herein.

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

### Methods of Analysis

IIS LLC uses a variety of investment strategies and has broad and flexible discretionary investment authority. The Firm employs rigorous and comprehensive internal processes throughout the investment cycle that may include, but are not limited to, the review of historical financial data, portfolio construction analytics, due diligence on investment opportunities, industry research and review of documents related to the investment. IIS LLC may also use outside advisors including legal counsel, accounting, or subject matter experts, to assist in the review and evaluation of investments. f

### Investment Strategies

As noted in Item 4 above, IIS LLC will seek to provide investment management services with respect to Accounts of Insurance Carriers. The Investment Guidelines, separately established for each Account, shall comply with the applicable insurance regulatory rules of the relevant states of incorporation of the Insurance Carriers (“Applicable Investment Law”). It is anticipated that IIS LLC will manage the assets of each Insurance Carrier Account as a separately managed account and allocate to those accounts a variety of investments including some investments that are managed or sponsored by IIS LLC affiliates as well as investments in various types of securities and assets. Such investments may include, without limitation:

- Preferred and common stock of domestic and foreign issuers,
- Securities convertible into preferred or common stock of domestic and foreign issuers (including affiliated issuers),
- Debt securities of and/or loans to domestic and foreign governmental issuers (including federal, state, municipal, governmental sponsored agency, global and regional development bank, and export-import bank issuers) and domestic and foreign corporate issuers (including affiliated issuers),
- Investment company securities (including securities or any interest in private investment funds),
- Money-market securities,
- Partnership interests,

- Mortgage and asset backed securities,
- Foreign currencies and currency forwards, futures contracts, and options thereon,
- Bank and debtor-in-possession loans,
- Trade receivables,
- Repurchase and reverse repurchase agreements,
- Commercial paper,
- Other securities, futures, and derivatives (including equity, interest rate and currency swaps, swaptions, caps, collars and floors),
- Asset hedging,
- Rights and options on all of the foregoing; and
- Other investments, assets or property selected by IIS LLC in its discretion.

### **General Risks**

This section discusses the risks associated with IIS LLC's investment strategies and methods of analyses. The securities or other financial instruments in which the Insurance Carrier invests are collectively referred to as "investments" in this General Risks section.

This document does not purport to be a complete disclosure of all risks that may be relevant to a decision to invest by the Insurance Carriers.

Investing in securities involves risk of loss that all Insurance Carriers should be prepared to bear. IIS LLC and its affiliates will encounter potential conflicts of interest, some of which are summarized herein.

**No Assurance of Investment Return.** There can be no assurance that an Insurance Carrier will be able to achieve their investment objectives or that they will receive a return of their capital. IIS LLC may not be able to execute investment objectives or generate returns to an Insurance Carrier commensurate with the risks of investing in the types of transactions described herein. Past performance of IIS LLC is not necessarily indicative of future results, and investment results may vary substantially over time. Through human error, oversight or operational weaknesses, mistakes could occur in executing an Insurance Carrier's investment strategies which could lead to significant trading losses. An Insurance Carrier may be required to bear losses resulting from trading errors and similar human errors.

**General Economic Conditions, Political and Regulatory Risks, and Catastrophic Events.** The success of IIS LLC's investment advice may be affected by general economic and market conditions, such as market and other trends, interest rates, availability of credit, volatility, inflation rates, economic uncertainty, national and international political



circumstances, and other factors. In addition, investments may be adversely affected by political developments and catastrophic and other force majeure events such as fire, earthquake, terrorist attacks and other similar events. Legal, tax, and regulatory changes also may adversely affect an investment.

**Pandemic Risk.** The impact of epidemics and pandemics, including the highly contagious form of coronavirus (“COVID-19”) has greatly affect the general economic and market conditions in both the U.S. as well as globally. Pandemics may cause extreme volatility and disruption in both the U.S. and global markets causing uncertainty and risks to economic growth and stability. The current crises caused by the recent coronavirus outbreak may worsen other preexisting political, social, and economic risks in certain countries. Pandemics may also result in contraction or cancellation of travel, disruptions to supply chains and customer purchasing activity, closing of national borders, stresses on health care systems, quarantines, as well as overall uncertainty.

**Reliance on Key Personnel.** The success of Insurance Carriers’ accounts will significantly depend upon the skill and expertise of IIS LLC’s and its affiliates’ investment professionals. Such professionals may not continue to be associated with IIS LLC or its affiliates throughout the term of an Insurance Carrier’s investment, and any departure or resignation of any key professionals could have an adverse impact on the performance for an Insurance Carrier.

**Due Diligence in Investment Selection Process.** IIS LLC conducts an amount and depth of due diligence that it believes is adequate to identify appropriate investments with which an Insurance Carrier account should invest. However, due diligence is not foolproof and may not uncover problems associated with a particular investment. IIS LLC may rely upon representations made by the investment and their accountants, attorneys, prime brokers and/or other investment professionals. If any representation is misleading, incomplete, or false, it may result in the selection of an investment that otherwise might have been eliminated from consideration had complete information been made available.

**Allocation to Multiple Underlying Investments.** There can be no assurance that an Insurance Carrier account’s allocation to multiple underlying investments will achieve diversification. An Insurance Carrier account could hold indirectly at one time opposite positions in the same investment because of its allocations to multiple investments. There is also no assurance that the selection of multiple investments will prove more successful than would the selection of a single investments.

**Hedging Risks; Intermediary Risks.** To reduce the risk of adverse movements in currency exchange rates and the securities prices of its investments, certain Insurance

Carrier investments may involve hedging techniques through the purchase of swaps, derivatives, and other similar instruments. There can be no guarantee that suitable hedging instruments will be available at the time when an Insurance Carrier account wishes to use them. Additionally, in the event of an imperfect correlation between a position in a hedging instrument and the portfolio position that it is intended to protect, the desired protection may not be achieved, and the Insurance Carrier account may be exposed to a risk of loss. Certain hedging transactions may be undertaken through brokers, banks or other organizations and Insurance Carriers will be subject to risk of default, insolvency, or fraud of such organizations. There can be no assurance that any money advanced to such organizations will be repaid or that Insurance Carrier accounts will have any recourse in the event of default. The collection, transfer and deposit of bearer instruments and cash expose Insurance Carriers accounts to a variety of risks, including theft, loss, and destruction.

**Illiquid Investments.** Investments will include securities that are highly illiquid, or which are subject to restrictions on transfer. The sale of any such investments may be possible only at substantial discounts, if at all, and such investments may be extremely difficult to value. Dispositions of investments may require a lengthy time or may result in distributions in kind. Some of the dispositions could be in securities for which there is no readily available market.

**Leverage.** Investments in swaps or futures will have the economic effect of using financial leverage. Financial leverage reflected in such an investment magnifies exposure to the swings in prices of an asset class underlying such investment and results in increased volatility.

In addition, investments in securities of leveraged companies involve a high degree of risk. In general, highly leveraged companies are inherently more sensitive to declines in revenues and to increases in expenses as well as any rise in interest rates. There can be no assurance that these companies will generate sufficient cash necessary to service its debt obligations. If a company does not generate adequate cash flow to service its debt obligations, an Insurance Carrier account may suffer a partial or total loss of invested capital.

**Non-Controlling Investments.** Investments involve non-controlling interests in companies and, therefore, there may be a limited ability to protect the positions in such companies. It is primarily the responsibility of company management to operate the company on a day-to-day basis. Such management may not produce the expected results or may not remain with the companies.

**Risks Upon Disposition of Investments.** In connection with the disposition of an investment, an Insurance Carrier account may be required to make representations about the business and financial affairs of the investment typical of those made in connection with the sale of any business, may be responsible for the contents of disclosure documents under applicable securities laws, and may be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Insurance Carrier account.

**Follow-On Investments.** The companies in which an Insurance Carrier accounts invest may require additional funding or may offer the opportunity to increase investment in such companies.

**Interest Rate Risk.** Certain investments may be subject to interest rate risk. While derivative instruments or other arrangements may be used to hedge such risks, there is no assurance that such measures, even if implemented, will be effective.

**Currency Risk.** Certain investments may involve securities denominated in non-U.S. currencies. Such investments are subject to the risk that changes in currency exchange rates will negatively affect the dollar value of an Insurance Carrier accounts' assets. There can be no assurance that any hedging strategies used to hedge such risks will be implemented or effective.

**Bankruptcy of Investment Companies.** Investments may involve companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. Various U.S. federal and state, and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of an Insurance Carrier account. There is also a risk that a court may subordinate an investment to other creditors or require the Insurance Carrier account to return amounts previously paid to it by a company that subsequently became insolvent or files for bankruptcy.

**Risk of Loss related to Master-Feeder Structures.** Some of investments made for Insurance Carriers may be invested through a "master-feeder" structure. The "master-feeder" fund structure creates certain risks for investors that are unique to such a structure. For example, a smaller feeder fund investing in the master fund may be materially affected by the actions of a larger feeder fund investing in the master fund. If a larger feeder fund redeems from the master fund, the remaining feeder fund may experience higher pro rata operating expenses, thereby producing lower returns. The master fund may become less diverse due to redemption by a larger feeder fund, resulting in increased portfolio risk. The master fund is a single entity, and creditors of the master

fund may enforce claims against all assets of the master fund. Certain conflicts of interest may exist due to different tax considerations applicable to the feeder funds. The feeder funds may be subject to expenses directly and indirectly, through the master fund. Thus, Insurance Carriers invested in a master-feeder structure may be subject to a higher expense/equity ratio.

**Portfolio Valuation.** Valuation of Insurance Carrier accounts' securities and the investments (which will indirectly determine the amount of the management fees payable by Insurance Carriers) may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, investors could be adversely affected. Certain investments may be difficult to value and may be subject to varying interpretations of value.

**Institutional, Counterparty and Custody Risk.** The institutions, including brokerage firms and banks, with which the Insurance Carrier accounts do business, or to which such accounts' investments have been entrusted for custodial purposes, may encounter financial difficulties that could expose them to loss of capital. The Insurance Carrier accounts may affect their transactions in over the counter or interdealer markets in which the participants are not typically subject to credit evaluation or regulatory oversight. This exposes the Insurance Carrier to the risk that counterparty will not settle a transaction in accordance with its terms and conditions, thus causing the funds to incur loss.

**Portfolio Turnover.** In general, investments will be traded without regard to their applicable holding periods to pursue the applicable Insurance Carrier accounts' investment objectives. Higher portfolio turnover involves additional expenses, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of investments and reinvestment in other investments.

**Market Analysis Limitations.** Access to current/new market information is needed to provide an accurate market analysis. IIS LLC has no control over the dissemination rate of market information; therefore, unbeknownst to IIS LLC, certain analyses may be compiled with outdated market information, severely limiting the value of IIS LLC's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

**Potential for System Failure.** Certain investments are dependent to a significant degree on the proper functioning of computer systems. Systems failures could disrupt trading or make trading impossible until such failure is remedied. Any such failure, and consequential

inability to trade investments (even for a short time), could cause an Insurance Carrier to experience significant losses.

Most securitizations of pooled loans, such as MBS and RMBS, require a servicer to manage collections on each of the underlying loans. Servicers' responsibilities include providing delinquency notices when necessary, foreclosure proceedings, loan workouts and modifications, liquidations of real estate owned properties, and reporting on the performance of the pool to the trustee. RMBS may provide that the servicer is required to make advances in respect of delinquent mortgage loans. However, servicers experiencing financial difficulties may not be able to perform these obligations. Servicers who have sought bankruptcy protection may, due to application of the provisions of bankruptcy law, not be required to advance such amounts.

**Reduced Regulation in OTC Transactions.** Investments may involve over the counter ("OTC") transactions. In general, there is less governmental regulation and supervision in the OTC markets than of transactions entered on an organized exchange. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with certain OTC transactions.

**Trade Claims.** Investments may include unsecured claims held by entities owed for goods, services or other losses against companies that have filed for bankruptcy protection (such claims, "trade claims"). The prices realized on trade claims could be less than the price originally paid because of the absence of a regulated market for trade claims. There is decreased transparency of pricing information with respect to trade claims and a risk that such claims may be disallowed or reduced by the bankruptcy court or treated differently from other forms of debt under the debtor's plan of reorganization approved by the bankruptcy court.

**Regulatory and Enforcement Risks.** Regulation of the managers such as IIS LLC has increased significantly in recent years. Additional regulation is likely in the future. Compliance with regulations requires significant time and effort from IIS LLC and its personnel. IIS LLC or its affiliates and personnel may from time to time be subject to regulatory inquiries, examinations, investigations, or enforcement actions that require significant time and attention from IIS LLC personnel, and that could distract from the management of the Insurance Carrier accounts. Enforcement actions and any resulting sanctions that have an adverse impact on IIS LLC or such personnel could in turn have an adverse effect on Insurance Carriers.

**Cyber Security Breaches.** IIS LLC depends heavily upon computer systems to perform necessary business functions and although IIS LLC has implemented a variety of security measures, these computer systems could be subject to cyber-attacks and unauthorized access, such as physical and electronic break-ins or unauthorized tampering. Like other companies, IIS LLC may experience threats to their respective data and systems, including malware and computer virus attacks, unauthorized access, system failures and disruptions. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary, and other information processed and stored in, and transmitted through, such computer systems and networks, or otherwise cause interruptions or malfunctions in IIS LLC's operations, which could result in damage to the Firm's reputation, as well as potential financial losses, litigation, increased costs, regulatory penalties and/or customer dissatisfaction or loss.

## **Item 9 – Disciplinary Information**

IIS LLC is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of IIS LLC or the integrity of IIS LLC's management. Neither IIS LLC nor any of its supervised persons has been the subject of any legal or disciplinary event required to be disclosed on Form ADV.

## **Item 10 – Other Financial Industry Activities and Affiliations**

IIS LLC has arrangements that are material to its advisory business with the following related persons:

Investcorp Investment Advisers LLC ("IIA LLC") is under common control with IIS LLC. IIA LLC is a Delaware limited liability company and has its offices in New York. IIA LLC is registered in the U.S. as an investment adviser with the SEC.

Investcorp Investment Advisers Limited ("IIAL") is 100% directly owned by I.S.A. IIAL is incorporated in the Cayman Islands and has its offices in Bahrain. IIAL is registered as a mutual fund administrator and company manager with the Cayman Islands Monetary Authority and is authorized to provide investment advice. IIAL is registered in the U.S. as an investment adviser with the SEC.

N.A. Investcorp LLC ("NAILLC") is 100% directly owned by IIHI, the parent company of which is I.S.A. NAILLC has its offices in New York and is a FINRA member and an SEC registered broker-dealer. Certain management persons of the Firm are registered representatives of NAILLC.

Investcorp Securities Limited ("ISL") is 100% directly owned by Investcorp International Limited, the parent company of which is I.S.A. ISL is incorporated in England and has its office in London and is regulated by the UK Financial Services Authority. ISL is also registered as an investment adviser with the SEC.

Investcorp Financial and Investment Services SA ("IFIS") is 100% directly owned by AIBC Investcorp Holdings S.A., the parent company of which is I.S.A. IFIS is a Swiss entity and has its office in Neuchâtel, Switzerland.

### **Conflicts of Interest**

The officers and employees of IIS LLC, and its affiliates, who play key roles in the advisory services IIS LLC provides may spend a significant portion of their time on matters other than, or only tangentially related to, IIS LLC's clients. Conflicts of interest will arise in allocating their time and resources between IIS LLC's clients and their other undertakings.

There are currently no Accounts that have performance-based fee arrangements. However, as stated in Item 5, "Fees and Compensation" and Item 6, "Performance-Based Fees and Side-By-Side Management," IIS LLC and its affiliates will receive performance compensation from certain clients. These fees may cause IIS LLC and its affiliates and employees to make investments that are more speculative than they would otherwise make in the absence of such compensation or to favor higher fee-paying clients over other clients.

As discussed in Item 6, "Performance-Based Fees and Side-by-Side Management," certain Insurance Carriers have similar investment objectives and strategies. In addition, IIS LLC's affiliates and clients of such affiliates have similar investment objectives and strategies as one or more of Insurance Carriers. As a result, IIS LLC and its affiliates will face conflicts of interest in allocating investment opportunities. In such cases, IIS LLC and its affiliates will seek to act in a manner they believe in good faith to be fair to the applicable accounts under the circumstances and in accordance with IIS LLC's asset allocation methodology. Please see Item 6 for additional information.

For certain underlying investments in which Insurance Carriers may invest, IIS LLC's affiliates serve as placement agent, provide seed capital, act as investment manager, and/or provide other services to certain underlying investments. These affiliates receive a fee from such underlying investments that is based upon each underlying investment assets under management. In addition, certain underlying investments invest in vehicles managed by one of IIS LLC affiliates in which its affiliates receive management, performance, and other fees. These compensation arrangements create an incentive for IIS

LLC to cause the Insurance Carriers to invest in underlying investments based on the additional fees that will be earned by IIS LLC or its affiliates. IIS LLC mitigates these conflicts by disclosing such compensation arrangements to the Insurance Carriers prior to making the investments or by waiving (or the relevant affiliate(s) waiving) the associated compensation.

IIS LLC's affiliates may invest in the investments in which Insurance Carriers invest. Significant investment by IIS LLC's affiliates in these investments may operate to align, to some extent, the interests of IIS LLC and its affiliates with the interests of the investors in these investments, although IIS LLC and its affiliates have other economic interests which may compete with the Insurance Carrier investments. IIS LLC's affiliates have preferential liquidity rights allowing the affiliates to redeem shares on short notice. IIS LLC's affiliates may dispose of an investment prior to investors exiting their investment, without making such exit opportunity available to investors. IIS LLC's affiliates' interests in such transactions may differ from investors' interests at the time. IIS LLC's affiliates will take their own interests into account in establishing or negotiating the terms of any financing or investment.

The boards of directors of certain investments are comprised, in whole or in part, of employees of IIS LLC and its affiliates. As a result of such affiliations, the selection of IIS LLC and its affiliates as investment advisers, placement agents, lenders, or other services providers, and the fees payable to IIS LLC and its affiliates, were not determined or negotiated at arm's length. Directors may be a party to, or otherwise interested in, transactions in which the Insurance Carriers have an interest.

IIS LLC and its affiliates have relationships with third-party service providers and financial institutions that may provide services or lend money to Insurance Carriers. To the extent IIS LLC or its affiliates receive rebates or special benefits with respect to investments where both Insurance Carriers and IIS LLC's affiliates are investors, IIS LLC and its affiliates will attempt to allocate such rebates and rights fairly; however, there can be no assurance that such allocation would be the same as Insurance Carriers could have negotiated at arms-length.

Although the administrators of Insurance Carriers typically will be responsible for valuing Insurance Carriers' portfolios, IIS LLC or its affiliates may be involved in the process. Because IIS LLC is paid based on Insurance Carriers' net asset values, IIS LLC and its affiliates' involvement regarding valuation presents a potential conflict of interest.

To the extent that the employees of IIS LLC or its affiliates receive gifts, meals and/or entertainment from a service provider, such employees have an incentive to seek to cause



IIS LLC or its affiliates and/or one or more of Insurance Carriers to enter or continue a business relationship with such service provider, even if doing so is not in the best interests of Insurance Carriers.

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

### Code of Ethics

Pursuant to Rule 204(A)-1 of the Advisers Act, IIS LLC has adopted a written Code of Ethics (the “Code”) which includes policies and procedures designed to reduce actual and potential conflicts of interest and establish “best practices” standards to require its Supervised Persons, as that term is defined in the Advisers Act, to place the interests of IIS LLC’s clients above the Supervised Persons’ own personal interests.

The Code includes provisions relating to the following principles:

- As a registered investment adviser, IIS LLC has a fiduciary relationship with its clients. Therefore, all Supervised Persons must carry out their duties solely in the best interests of clients and free from all personal compromising influences and loyalties.
- IIS LLC's operations are governed by the Advisers Act and the rules and regulations that the SEC has promulgated thereunder. All Supervised Persons must comply with the Advisers Act and other applicable Federal securities laws and rules.
- Under no circumstances may Supervised Persons use confidential information about a client, or an actual or potential investment of a client, for the Supervised Person's own benefit. Nor may he/she divulge information about clients or potential or actual investments of clients to any person except as expressly authorized by the client or as necessary to perform his/her duties on behalf of the Firm. Supervised Persons are expected to be knowledgeable about the Firm’s privacy policy and to adhere to same.
- To the extent that a Supervised Person advises IIS LLC’s clients, the Supervised Person must act with prudence and make sure his/her investment decisions for clients have a reasonable and adequate basis. Prior to acting on behalf of clients, such Supervised Persons must analyze the investment opportunities in question and only take actions that are consistent with the stated objectives and constraints of the client. Neither IIS LLC nor any Supervised Person may favor the interests of one IIS LLC client over another. Although it may not be possible to treat each client identically in every single transaction, overall, no client or group of clients should be disadvantaged to benefit any other client or group of clients.
- No Supervised Person may directly or indirectly agree to share in the profits earned or losses incurred in any client's account.

- No Supervised Person may warrant or guarantee the future value of or return on any security or investment. Nor may he/she warrant or guarantee the success or profitability of any investment advice the Firm renders or any trading or investment strategy the Firm follows.
- No Supervised Person may make or receive a payment or gift more than \$250 per individual per year where the payment or gift relates to the business of the recipient's employer. This prohibition does not apply to gifts to or from persons with whom the Supervised Person has a family or other personal relationship that exists apart from his/her association with the Firm or any other Investcorp affiliated entity. This prohibition also does not apply to ordinary and usual business entertainment hosted by IIS LLC or any other Investcorp affiliated entity, so long as such entertainment is neither so frequent nor so extensive as to raise any question of propriety. Supervised Persons must report to the Firm's Compliance Department all gifts made or received more than \$100.
- Supervised Persons must not lend or borrow money, securities, or commodities to or from a client.
- Except as expressly authorized by the Firm, no Supervised Person may directly or indirectly authorize or pay any rebate, bonus, fee, or other consideration to any person for business sought or procured, or to any official of any governmental or regulatory body.
- Supervised Persons shall maintain and preserve all books, records, and accounts which accurately and fairly reflect financial transactions on behalf of the Firm or a client. No Supervised Person may make or cause to be made any false or misleading entry or record in the books, records or accounts of the Firm or a client.

As with all policies and procedures, our Code is designed to cover a variety of circumstances and conduct. However, no policy or procedure can anticipate every potential conflict of interest that can arise in connection with the Firm's advisory business. Consequently, our Supervised Persons are expected to abide not only by the letter of the Code, but also by the spirit of the Code. Whether or not a specific provision of the Code addresses a particular situation, Supervised Persons must conduct their professional activities in accordance with the general principles contained in the Code and in a manner that is designed to avoid any actual or potential conflicts of interest.

IIS LLC expects its Supervised Persons to conduct the Firm's affairs solely in the best interests of clients and not to engage in business or financial activities that may conflict with the activities of IIS LLC. Decisions regarding IIS LLC's business relationship with any other person or entity must be based solely upon valid business considerations. No Supervised Person may permit a business decision to be influenced by personal or other unrelated interests or factors.

IIS LLC's Code of Ethics also covers the following topics: insider trading, conflicts of interest, political activities and contributions, participation in private securities transactions, privacy policy and outside business activities. IIS LLC's Supervised Persons may from time to time serve as members of the boards of public and non-public companies. Such Supervised Persons must obtain the approval of IIS LLC's Compliance Department prior to accepting such role.

A copy of the Code of Ethics will be furnished upon request to any current or prospective client by contacting Brian Murphy, Chief Compliance Officer, at 917-332-5719; [bmurphy@investcorp.com](mailto:bmurphy@investcorp.com).

### Personal Trading

IIS LLC's Code of Ethics addresses the personal trading activities of its Supervised Persons. Specifically, it requires Supervised Persons to report their personal securities holdings and transactions to the Firm's Compliance Department. IIS LLC's Supervised Persons must obtain pre-approval from the Compliance Department prior to participating in most types of securities transactions and in all private placements and initial public offerings. If a Supervised Person seeks to invest in a U.S. limited offering, the Compliance Department will review the proposal to see if a client is considering a transaction in the same limited offering and if so whether the Supervised Person's proposed transaction interferes with the client's transaction. The Supervised Person's proposed investment is also reviewed to confirm it is not on terms more favorable than the terms of the client's investment.

IIS LLC's affiliates occasionally invest in the same securities in which a client invests. Please see Item 10, "Other Financial Industry Activities and Affiliations" for additional information.

### Participation or Interest in Client Transactions

It is IIS LLC's policy that neither IIS LLC nor its affiliates will receive any compensation (other than IIS LLC's receipt of an investment advisory fee) in connection with a cross trade that the Firm effects between Insurance Carrier accounts. Accordingly, IIS LLC does not affect any agency cross transactions, as that term is defined in Advisers Act Rule 206(3)-2.

IIS LLC's affiliates, from time to time, may in the aggregate maintain ownership interests of more than 25% of an investment managed by IIS LLC or its affiliates. Currently IIS LLC does not engage in transactions where IIS LLC causes such an Insurance Carrier to purchase shares from or sell shares to another advisory Insurance Carrier (e.g., when

rebalancing Insurance Carrier portfolios) without the client's prior written consent to the proposed transaction.

Certain underlying investments invest in other funds in which IIS LLC and/or its affiliates have a material financial interest. Please see Item 10, "Other Financial Industry Activities and Affiliations" for additional information.

## **Item 12 – Brokerage Practices**

IIS LLC has the sole and exclusive authority to designate the brokers or dealers through whom all purchases and sales on behalf of the Account will be made. To the extent permitted by applicable law, such brokers or dealers may include affiliates of the Firm. The Firm will determine the rate or rates, if any, to be paid for brokerage services provided to the Account. In selecting brokers or dealers to effect transactions on behalf of the Account, IIS LLC, subject to its overall duty to obtain "best execution" of Account transactions at all times, will have authority to and may consider the full range and quality of the ability of the brokers or dealers to execute transactions efficiently, their responsiveness to the IIS LLC's instructions, their facilities, reliability and financial responsibility and the value of any research or other services or products they provide. IIS LLC will not be obligated to seek in advance competitive bidding for the most favorable commission rate applicable to any particular transaction for the Account or to select any broker-dealer on the basis of its purported posted commission rate. As long as the services or other products provided by a particular broker or dealer (whether directly or through a third party) qualify as "brokerage and research" services within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended (and relevant Securities and Exchange Commission interpretations of that section) and the Firm determines in good faith that the amount of commission charged by such broker or dealer is reasonable in relation to the value of such "brokerage and research services," IIS LLC may utilize the services of that broker or dealer to execute transactions for the Account on an agency basis even if (i) the Account would incur higher transaction costs than it would have incurred had another broker or dealer been used and (ii) the Account does not necessarily benefit from the research or products provided by that broker or dealer.

## **Item 13 – Review of Accounts**

IIS LLC will conduct monthly (or more frequent) reviews of Insurance Carrier accounts. IIS LLC's investment team, which includes the CIO, will meet at least monthly to review asset allocation, potential investments, current investment performance, and risk profiles. In addition, the entire investment team will meet monthly or more frequently to review investment opportunities.

IIS LLC will provide periodic and special written reports to certain Insurance Carriers upon request. Insurance Carriers will receive written reports with respect to their investments on at least a semi-annual basis. In addition, annual audited financial statements are sent to Insurance Carriers, as applicable. IIS LLC may also provide various other reports and information to investors upon request.

#### **Item 14 – Client Referrals and Other Compensation**

Other than the compensation discussed in Item 5, “Fees and Compensation” above, IIS LLC does not have any oral or written arrangements where it receives any economic benefits for providing investment advice or other advisory services to clients.

Neither IIS LLC nor its related persons compensate any person that is not one of IIS LLC’s supervised persons for client referrals.

#### **Item 15 – Custody**

Neither the IIS LLC nor its employees or affiliates shall have any permission, authority, capacity, or ability that would, directly or indirectly, cause the IIS LLC to have “custody” of any cash, securities, or other assets of the Account as such term is defined in Rule 206(4)-2 under the Advisers Act.

#### **Item 16 – Investment Discretion**

In IIS LLC’s capacity as investment manager to Insurance Carriers, IIS LLC will have discretionary authority over Insurance Carriers accounts’ funds and securities. IIS LLC typically will have the authority to determine, without obtaining the specific Insurance Carrier’s consent, the (i) securities to be bought or sold, (ii) amount of the securities to be bought or sold, (iii) the broker or dealer to be used, and (iv) the commission rates to be paid. Please see Item 4, “Advisory Business” for more information.

IIS LLC will exercise its discretionary authority for Insurance Carriers in accordance with the investment objectives and strategies described in Insurance Carriers’ investment management agreements and organizational documents, including any investment restrictions and risk guidelines specified therein.

IIS LLC will be granted discretionary authority pursuant to the investment management agreement of an Insurance Carrier.

**Item 17 – Voting Client Securities**

Because of the nature of IIS LLC's business, it will typically not engage in proxy voting for Insurance Carriers.

To the extent a proxy voting policy may be required in the future, a copy of IIS LLC's proxy voting policies and procedures, and information on how IIS LLC voted client securities, will be furnished upon request to any such client by contacting Brian Murphy, Chief Compliance Officer, at 917-332-5719; [bmurphy@investcorp.com](mailto:bmurphy@investcorp.com).

**Item 18 – Financial Information**

IIS LLC is required in this Item to provide certain financial information or disclosures about its financial condition. IIS LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Insurance Carriers and has not been the subject of a bankruptcy proceeding.