



AIG Credit Management, LLC

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Form ADV Part 2A: Brochure

As of March 31, 2022

This brochure provides information about the qualifications and business practices of AIG Credit Management, LLC a registered investment adviser. If you have any questions about the contents of this brochure, please contact Matthew Slominski, Chief Compliance Officer, at (212) 458 6082 and/or Matthew.Slominski@aig.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about **AIG Credit Management, LLC** also is 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 dated March 31, 2022 serves as an update to the Brochure dated March 31, 2021. There have been no material changes since the Firm's last filing.



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ITEM 4. Advisory Business

OUR FIRM

AIG Credit Management, LLC ("AIG Credit Management" or the "Adviser") is an indirect subsidiary of American International Group, Inc. ("AIG"), a company whose common shares are listed on the New York Stock Exchange. On November 2, 2021, Argon Holdco LLC, a wholly owned subsidiary of Blackstone Inc. (together, "Blackstone"), acquired 9.9% of the total voting shares of the adviser's indirect parent company SAFG Retirement Services, Inc. ("SAFG"). AIG continues to own the remaining 90.1% of SAFG's total voting shares. On December 31, 2021, AIG Credit Management and its direct parent, AIG Global Asset Management Holdings Corp. ("AIGGAMHC"), transferred within AIG's corporate structure to align with AIG's Life and Retirement businesses under SAFG Capital, LLC, which is 100% owned by SAFG. On March 28, 2022 SAFG was renamed Corebridge Financial, Inc. The Adviser's headquarters are located in Charlotte, NC, with affiliated offices in Wilton, CT and New York, NY.

History

The Adviser initially registered with the Securities and Exchange Commission ("SEC") as an investment adviser in October 2016 (previously a Limited Partner named Covenant Credit Partners, LP that changed to a Limited Liability Company called Covenant Credit Partners, LLC ("CCP") in May 2018.

In May 2018, AIG acquired CCP and a controlling interest in its subsidiary Covenant CLO Advisors, LLC ("CLO Advisors"), both became Relying Advisers of AMG. In 2019, Covenant Credit Partners, LLC was renamed AIG Asset Management EU CLO, and in 2020 renamed AIG Credit Management, LLC.

AIG Credit Management

AIG Credit Management and its majority-controlled affiliate Relying Adviser, CLO Advisors provide discretionary investment advisory services to separately managed accounts and private investment vehicles ("Funds") that invest primarily in senior bank loan assets. Each Fund is typically a structured debt vehicle known as a Collateralized Loan Obligation, or a "CLO Fund". Funds are organized in the Cayman Islands as an exempted company, or in Delaware as a limited liability company.

As set out in Schedule R of Form ADV Part 1A, AIG Credit Management and the Relying Adviser currently use a single registration (file a single Form ADV). References in this brochure to the "Adviser" include AIG Credit Management and CLO Advisors unless otherwise stated or as the context otherwise requires.

The Adviser also provides investment advisory and asset management services to AIG, AIG affiliates, and unaffiliated institutional clients. The Adviser also manages CLO Funds with investors that include AIG, AIG affiliates, and unaffiliated investors.

The Adviser directly managed \$3.8 billion discretionary assets for its Clients as of December 31, 2021 and no assets on a non-discretionary basis.

OUR ADVISORY SERVICES

AIG Credit Management's investment professionals have the primary responsibility for determining and understanding each client's circumstances and managing the client portfolio according to each client's objectives. The Adviser has developed portfolio management processes that consider credit quality, investment guidelines, and applicable laws when determining the appropriateness of an investment for an account. The Adviser has adopted policies and procedures that



satisfy fiduciary and regulatory obligations under the Investment Adviser's Act of 1940, as amended (the "Advisers Act").

CLO Funds

With respect to each Fund, AIG Credit Management, has entered, or will enter into an investment management agreement (an "IMA") with the relevant investment vehicle. The IMA will contain investment guidelines that mirror the parameters of the related Fund's offering documents.

Separately Managed Accounts

AIG Credit Management and the client will develop investment guidelines that align to each client's unique objectives, including reasonable investment restrictions. These guidelines will be documented in an investment management agreement entered into by the Adviser and the client.

ASSET TYPES

Consistent with client investment objectives and risk tolerances, AIG Credit Management provides discretionary investment advisory services to its clients, each a private investment vehicle that invests primarily in senior bank loans assets (each, a "Fund" and collectively, the "Funds"). Each Fund is a structured debt vehicle known as a Collateralized Loan Obligation. These following assets represent AIG Credit Management's assets under management.

1. **Collateralized Loan Obligations:** backed by a pool of loans, structured so that there are several classes of bondholders with varying interest rates in tranches. They are similar in structure to Collateralized Mortgage Obligations; and
2. **Bank Loans:** Debt financing obligations that are issued by a bank or similar financial institution that holds legal claim to the borrower's assets above all other debt obligations

ITEM 5. Fees and Compensation

AIG Credit Management provides investment advisory services to its parent company AIG, affiliates of AIG, and unaffiliated institutional clients for a Management Fee based on the assets it manages. Due to its relationship with AIG, the Adviser maintains a separate fee schedule for affiliate clients. In most instances, the rates assessed to affiliates of the Adviser will be considerably lower than the fees assessed to unaffiliated clients. The Management Fee is negotiated on a client-by-client basis and can take the form of a flat-fee or tiered fee based on the amount of assets under management, commitment to invest additional assets, or other factors. Each client's Management Fee will be acknowledged in the client's investment management agreement.

CLO FUNDS

Management Fees and Compensation

AIG Credit Management charges one or more fees for management of a CLO Fund. These could take the form of a Senior Investment Management Fee, a Subordinated

Investment Management Fee, an Investment Manager Incentive fee, or other fees. The fees, their calculation, method of



payment, and other important information is explicitly described in each Fund's indenture and investment management agreement between the Fund and Adviser.

AIG Credit Management manages Funds that charge performance-based fees. A performance fee arrangement generally entitles an investment adviser to additional compensation based on the performance of the Fund bearing the performance fee. The Adviser faces a conflict of interest to the extent that it manages a Fund for which it receives a performance fee at the same time as it manages one or more other clients for which it receives a different level of performance fee or no performance fee. Refer to Items 6 and 11 for further details on how the Adviser manages conflicts associated with performance fees.

Other Fees or Expenses

Other than Management Fees and, if applicable, incentive fees, paid to the Adviser, a Fund is also subject to other fees including, but not limited to: trustee fees and expenses, collateral administration fees and expenses, fees and expenses of independent accountants, agents and counsel of the Fund; taxes, fees, governmental fees (including annual fees) and registered office fees payable by special purpose subsidiaries of such Fund; fees and expenses of rating agencies in connection with any rating of secured notes or collateral obligations of such Fund, reasonable expenses of the Adviser, including fees incurred and paid by the Adviser for its accountants, agents, counsel and administration and out-of-pocket travel and other miscellaneous expenses incurred and paid by the Adviser in connection with its management of the collateral obligations, custodial and third party administration, as well as brokerage and other transaction costs; other fees or expenses permitted under the relevant indenture (the "Indenture") governing the notes issued by a Fund (the "Notes") and the documents delivered pursuant to or in connection with such Indenture (including any petition expenses, expenses incurred in connection with setting up and administering special purpose subsidiaries of such Fund, the payment of facility rating fees and all legal and other fees and expenses incurred in connection with the purchase and sale of any collateral obligations and any other expenses incurred in connection with the collateral obligations including any excepted advances) and the Notes, including but not limited to any amounts due in respect of the listing of the Notes on any stock exchange or trading system and costs associated with producing definitive Notes. Please reference Item 12.

From time to time, assets will be invested in money market funds. In these cases, the client will bear its pro rata share of the investment management fee and other fees of the fund, which are in addition to any fees or other compensation paid to the Adviser.

Compensation for Sale of Securities

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

Separately Managed Accounts Management Fees and Compensation

AIG Credit Management shall receive from the client a monthly management fee ("Management Fee") for the services with respect to the separately managed account portfolios it manages. The Management Fee shall equal a per annum fee, expressed in basis points, applied to the market value of the total assets under management of the account. The Management Fee will be negotiated on a client-by-client basis and take the form of a flat-fee or tiered fee based on the amount of assets under management, commitment to invest additional assets, or other factors. Each client's Management Fee will be acknowledged in the investment management agreement.

The Management Fee is calculated as of the last business day of each month and is payable by the Client in arrears within



10 business days following the receipt of the billing invoice, which shall include reasonably detailed documentation of how such Management Fee was calculated.

Should the investment management agreement terminate with respect to one or more portfolios on a day which is not the last day of the month, the Management Fee will be pro-rated to the actual number of days in the month up to the date of termination and calculated on the basis of fair market value of the assets in the portfolio on the date of withdrawal.

Other fees and expenses

In addition to the Management Fee, clients can expect to pay other fees and expenses associated with the management of their account in the form of transaction costs (see Section 12), custodial fees, performance reporting fees, and other fees and expenses noted in the investment management agreement.

ITEM 6. Performance-Based Fees and Side-By-Side Management

At this time, the Adviser currently manages one Fund that charges performance- based fees.

The Adviser faces a conflict of interest to the extent that it manages a Fund for which it receives a performance fee at the same time as it manages other clients for which it receives a different level of performance fee or no performance fee.

A performance fee arrangement generally entitles an investment adviser to additional compensation based on the performance of the Fund bearing the performance fee. The Adviser has an incentive to favor clients or take increased investment risk on behalf of clients for which it receives a larger performance fee because could the Adviser has an opportunity to receive greater compensation from such clients. AIG Credit Management has policies and procedures to mitigate the risk of these conflicts of interest, including policies designed to allocate trades and investment opportunities to clients in a fair and equitable manner. The Adviser generally allocates investment opportunities based on cash availability, Collateral Quality Test Limits (as defined in the corresponding Indenture), risk factors, client investment restrictions or current portfolio holdings.

ITEM 7. Types of Clients

The Adviser primarily serves the following sophisticated institutional investors:

CLO FUNDS: Private investment vehicles that invest primarily in senior bank loan assets each, a CLO Fund. Investors in a Fund include high net worth individuals, pension funds, banks, corporations, trusts and estates.

The minimum investment requirements for each Fund are found in such Fund's offering documents.

AFFILIATE INSURANCE COMPANIES: AIG Credit Management manages accounts of its AIG affiliates who are primarily insurance companies. These affiliates engage the Adviser directly, or through another AIG affiliate investment manager in a sub-advisory relationship. There are no minimum requirements for opening or maintaining a sub-advised portfolio.



ITEM 8. Methods of Analysis, Investment Strategies and Risk of Loss

CLO Funds

Methods of Analysis and Investment Strategies

The Adviser invests on behalf of each Fund primarily in senior loans. Senior loans are typically private or public corporate loans negotiated by one or more commercial banks and syndicated among commercial banks and investment advisers. These loans are at the top of the capital structure and are secured by specific collateral. Loan agreements typically contain covenants that limit the activities of the borrower to ensure the timely payment of interest and principal. These types of methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

Risk of Loss (Investment Strategies)

Some material risks associated with investing in long-only fixed income securities, include credit risk, market risk, counterparty risk and liquidity risk.

Credit risk occurs when an issuer or borrower are not able to make interest or principal payments and the value of the securities decrease. This can result in a rating downgrade, lowering the overall quality of a Fund. The assets of a Fund will consist primarily of non-investment grade loans. Obligors of below investment-grade assets tend to be highly leveraged and have limited access to more traditional methods of financing. During an economic downturn, a sustained period of rising interest rates, or a period of fluctuating exchange rates (in respect of those obligors located in non-U.S. countries), such obligors are more likely to experience financial stress and be unable to meet their debt obligations. Leveraged loans have historically experienced greater default rates than has been the case for investment grade securities. There can be no assurance as to the levels of defaults and/or recoveries on the collateral obligations.

Market risk is the possibility that as the market declines, it can result in a decline of the value of assets within a Fund. There is a risk that the value of the collateral will decline and not be sufficient to fully repay all of the obligations upon maturity. There is also a risk that significant fluctuations in the value of the collateral will require certain actions be taken by the Adviser as collateral manager, such as the sale of collateral or limitations on the Adviser's ability to purchase new collateral.

Counterparty risk can be an issue if the counterparties the Adviser trades with become bankrupt or fail to perform their obligations. This risk differs materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Liquidity becomes a risk when it is hard to purchase or sell an asset due to market turbulence or low trading activity. Currently, no market exists for notes issued by the Funds (the "Notes"). The Notes are illiquid investments and there is no established secondary market for the Notes. Although a secondary market in the Notes could develop, there can be no assurance that it would provide holders of the Notes with liquidity of investment or that liquidity will continue for the life of the Notes. Consequently, a purchase of Notes must be prepared to hold the Notes until their stated maturity.

Each Fund is a CLO and is therefore subject to certain structural risks that apply to CLOs generally. A CLO is similar to a closed-end investment fund in that it is an investment vehicle that has a specific investment strategy, a designated investment manager and all investment/trading activity is governed by an indenture and reported upon by an independent trustee. The CLO structure, however, utilizes financial leverage to purchase assets (corporate loans and other credit instruments) and, by doing so, allocates risk of loss among various classes of investors. The individual investor classes (or tranches of debt) each have a unique claim on the assets of the CLO in terms of their priority of payment for both interest



and principal proceeds of the collateral. The senior debt tranches have a priority claim on the cash flows generated by the assets of the CLO over the junior debt tranches. To the extent that losses are suffered on the collateral, or the cash flow generated by the assets is not sufficient to pay interest and principal on the debt tranches, the holder(s) of the most subordinated notes bear the initial risk of loss before any such losses are incurred by more senior debt tranches.

As discussed above, CLOs are subject to credit, liquidity and interest rate risks. CLO collateral generally consists of high yield bank loans and high yield debt securities. Consequently, an investment in CLOs is also subject to the risks of those underlying investments, which could be magnified as a result of a CLO typically being issued in a highly leveraged transaction. CLOs generally are limited recourse obligations payable solely from the related CLO collateral or its proceeds. If distributions on the underlying CLO collateral are insufficient to make payments on the CLO securities, no other assets will be available to pay the deficiency, and after the underlying assets have been sold, the CLO's obligation to pay any deficiency will be extinguished.

Investing in securities involves risk of loss a Fund investor should be prepared to bear, including loss of the principal amount invested. This Item 8 identifies material risk related to the Adviser's significant investment approaches and should be carefully evaluated before making an investment with the Adviser; however, the disclosure in this Item 8 is not intended to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks. The offering documents of a Fund contains additional information regarding the risks associated with investing in such Fund.

Risk of Loss (Investment Type)

There is a moderate risk associated with investing in senior loans. These risks include, but are not limited to, the following: interest rates tend to reset frequently, which can reduce income if market rates fall; the amount of public information available can be more limited than that available for other securities; settlement periods can range from 7 days to a few weeks; borrowers occasionally default on interest and principal payments, reducing income for a Fund; early prepayment of a loan could force reinvestment in a lower yielding asset. Although certain senior loans will be secured by specific collateral, there can be no assurance that such collateral could be readily liquidated.

FOCUS ON CERTAIN INVESTMENT RISKS

The following risks also apply to the Adviser's investments on behalf of Clients:

ASSET ALLOCATION STRATEGY RISK: Asset allocation strategies do not assure profit or diversification and do not protect against loss.

ASSET CLASS RISK: Securities in a portfolio could underperform in comparison to the general securities markets, a particular securities market, or other asset classes.

BREXIT RISK: On January 31, 2020, the United Kingdom ("UK") exited the European Union ("EU") (following a non-binding referendum in June 2016) with a transition period in relation to existing laws and regulations until December 31, 2020. There is still a high degree of uncertainty and as such, it is not possible to confirm with any certainty what might be the terms of any trade agreement between the UK and EU. A passporting regime previously allowed regulated entities licensed or those authorized in the UK (and each other European Economic Area ("EEA") country) to operate on a cross-border basis in other EEA countries without the need for a separate license or authorization. January 1, 2021, the UK become a "third country" and as such, the Adviser and AAMEL can no rely on passporting rights. Despite any measures taken by the Adviser and its Affiliates, the Adviser's ability to market and provide investment services in the EU could be adversely affected by Brexit. This will lead to increased uncertainty and volatility, all of which the Adviser continues to monitor any impact to its ability to enter into transactions, value or realize on investments or to implement investment policy on behalf of the Adviser's Clients.



COMMODITY RISK: Negative changes in a commodity market could have an inverse impact on the value of commodity-linked investments including companies that are susceptible to fluctuations in commodity markets. The value of commodity-linked investments would be affected by changes in overall market movements, taxation, terrorism, nationalization or expropriation, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as weather (e.g., drought, flooding), livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The prices of sector commodities (e.g., energy, metals, agriculture and livestock) can fluctuate widely due to factors such as changes in value, supply and demand and governmental regulatory policies.

CONCENTRATION RISK: Concentrating investments in an issuer or issuers, in a particular country, group of countries, region, market, industry, group of industries, sector or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that issuer or issuers, particular country, group of countries, region, market, industry, group of industries, sector or asset class than a more diversified mix of investments.

CONVERSION OF EQUITY INVESTMENTS: After its purchase, a non-equity investment directly or indirectly held by a portfolio (such as a convertible debt obligation) could convert to an equity security (converted investment). Alternatively, a portfolio might directly or indirectly acquire equity securities in connection with a restructuring even related to one or more of its non-equity investments. The portfolio might be unable to liquidate the converted investment at an advantageous time, impacting the performance of the portfolio.

CREDIT/DEFAULT RISK: Debt issuers and other counterparties of fixed income securities or instruments might default on their obligation to pay interest, repay principal or make a margin payment, or default on any other obligation. Additionally, the credit quality of securities or instruments could deteriorate (e.g., be downgraded by ratings agencies), which will impair a security's or instrument's liquidity and decrease its value.

CURRENCY RISK: Currencies are purchased or sold for a portfolio with forward contracts or other instruments. A portfolio that seeks to trade in foreign currencies has limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. A portfolio could hold investments denominated in currencies other than the currency in which the portfolio is denominated. Currency exchange rates can be volatile, particularly during times of political or economic unrest or as a result of actions taken by central banks. A change in the exchange rates could produce significant losses to a portfolio.

CYBERSECURITY RISK: With the increased use of technologies such as the Internet to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.

DEVELOPED COUNTRIES RISK: Investments in developed countries are subject a portfolio to regulatory, political, currency, security, demographic, and economic risks specific to developed countries. Developed countries could be impacted by changes to the economic health of certain key trading partners, regulatory burdens, debt burdens and the price or availability of certain commodities. Developed countries tend to represent a significant portion of the global economy and have generally experienced slower economic growth than some other countries or regions.



DISTRESSED SECURITIES: Investments in companies that are in poor financial condition, lack sufficient capital, or are involved in bankruptcy or reorganization proceedings face the unique risks of lack of information with respect to the issuer, the effects of bankruptcy laws and regulations and greater market volatility than is typically found in other securities markets. As a result, investments in securities of distressed companies involve significant risks that could result in a portfolio incurring losses with respect to such investments.

INCOME RISK: A portfolio's income could decline when interest rates decrease. During periods of falling interest rates, an issuer might repay the principal prior to the security's maturity ("prepayment"), causing the portfolio to have to reinvest in securities with lower yield, resulting in a decline in the portfolio's income.

INFORMATION SECURITY RISK: The Adviser relies on the effective operation of its computer systems and, in certain instances, the computer systems of its service providers, for a variety of functions, including, trading, transactions, Client reporting, and maintaining all books & records. Confidential and proprietary information is maintained on computer systems of the Adviser and in some cases its service providers ("computer systems"). Computer systems are subject to computer viruses or other malicious codes, unauthorized or fraudulent access, social engineering, phishing, human error, cyberattacks or other computer-related penetrations. The preventive actions AIG and the Adviser take to protect information technology could be insufficient to prevent physical and electronic break-ins, cyber-attacks, compromised credentials, fraud, other security breaches or other unauthorized access. These incidents might not be immediately detected and would impede or interrupt the Advisers business operations, and in turn could adversely affect Clients or the assets.

In the event of a disaster or an unanticipated problem, the Firm relies on its disaster recovery controls. Disasters and incidents could have a material adverse impact on the Firm's ability to conduct business, particularly if those problems affect the computer-based data processing, transmission, storage and retrieval systems and destroy valuable data of the Firm.

The failure of the computer systems, the disaster recovery plans of the Firm or its service providers, could cause significant interruptions in the Firm's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Client or the assets, and could potentially result in financial losses.

INTEREST RATE RISK: When interest rates increase, fixed income securities or instruments will generally decline in value. Long-term fixed income securities or instruments will normally have more price volatility because of this risk than short-term fixed income securities or instruments.

ISSUER RISK: A portfolio's performance depends on the performance of individual securities to which the portfolio has exposure. Changes to the financial condition or credit rating of an issuer of those securities could cause the value of the securities to decline or become worthless.

INVESTMENT STYLE RISK: Different investment styles tend to shift in and out of favor depending on market and economic conditions and investor sentiment. Portfolios could outperform or underperform other portfolios that invest in similar asset classes but employ different investment styles.

LIBOR RELATED RISKS: The London Inter-Bank Offered Rate ("LIBOR") is used as a reference rate for loans and other instruments, which means it is the base on which relevant interest rates are determined. On March 5, 2021, the U.K. Financial Conduct Authority, which regulates the process for setting LIBOR, and the ICE Benchmark Administration (the administrator of LIBOR) announced the dates after which all 35 LIBOR settings will either cease to be provided or will no longer be representative, providing certainty regarding when LIBOR rates will no longer be available. Those dates vary, depending on the currency and tenor: after December 31, 2021, the 1-week and 2-month USD LIBOR rates and all sterling, euro, Swiss franc and Japanese yen rates will no longer be available; and after June 30, 2023, all remaining USD LIBOR rates will no longer be available. US regulators also have directed banks to stop entering into new USD LIBOR contracts as



soon as possible, but by no later than December 31, 2021. There are ongoing efforts to establish alternative reference rates such as Secured Overnight Financing Rate ("SOFR") and Sterling Overnight Financing Rate ("SONIA") however, these reference rates are in the process of being implemented for new transactions and the impact to the value and liquidity of certain investments has yet to be fully determined.

LIQUIDITY RISKS: Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or lose liquidity in response to market developments). This can reduce a portfolio's returns because the portfolio might be unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes are also more difficult to value.

MANAGEMENT RISK: A portfolio is subject to management risk, which is the risk that the investment process, techniques, and analyses applied will not produce the desired results, and those securities or other financial instruments selected for a portfolio could result in returns that are inconsistent with the portfolio's investment objective. Portfolios advised by AIG Credit Management could become subject to threshold limitations on aggregate ownership interests in certain companies arising from statutory regulatory or self-regulatory organization requirements or company ownership restrictions (e.g., poison pills or other restrictions in organizational documents). In addition, legislative, regulatory or tax developments will potentially affect the investment techniques or opportunities available in connection with managing the portfolio and might adversely affect the ability of the portfolio to achieve its investment objective (e.g., where aggregate ownership thresholds or limitations must be observed, a portfolio would be subject to investment limitations in certain companies arising from statutory regulatory or self-regulatory organization requirements or company ownership restrictions).

MARKET RISK: The market value of the instruments in which a portfolio invests will fluctuate in response to the prospects of individual companies, particular sectors or governments and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets.

MICRO-CAP COMPANIES RISK: Stock prices of microcap companies are significantly more volatile and more vulnerable to adverse business and economic developments than those of larger companies. Microcap stocks are usually thinly traded, making it difficult for a portfolio to buy and sell them.

NON-DIVERSIFICATION RISK: Non-diversification of investments means that portfolios investing a large percentage of its assets in securities issued by or representing a small number of issuers of exposure types will depend on the performance of a small number of issuers or exposures.

NON-U.S. EXCHANGE RISK EXPOSURE: Portfolios that are denominated in U.S. dollars but that invest in securities that are denominated and receive a portion of their income and gains in currencies other than the U.S. dollar could experience a reduction in the value of such other currencies relative to the U.S. dollar prior to conversion into U.S. dollars. This would adversely impact the net asset values of the portfolios.

NON-U.S. SECURITIES RISK: Investments in the securities of non-U.S. issuers are subject to the risks associated with non-U.S. markets in which those non-U.S. issuers are organized and operate, including but not limited to, risks related to foreign currency limited liquidity, less government regulation, privatization, and the possibility of substantial volatility due to adverse political, economic, and geographic events or other developments, differences in accounting, auditing and financial reporting standards, the possibility of repatriation, expropriation or confiscatory taxation, adverse changes in investment or exchange controls or other regulations and potential restrictions on the flow of international capital. These risks are often heightened for investments in smaller capital markets, emerging markets, developing markets or frontier markets.

OFFSHORE INVESTOR RISK: A portfolio seeking to trade in foreign currencies will have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and



currency convertibility issues. These limitations and restrictions will impact the availability, liquidity and pricing of the financial instruments that are necessary for the portfolio to gain exposure to the currency markets, impairing the portfolio's ability to achieve its investment objective.

OPERATIONAL RISK: A portfolio may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routing processing errors to potentially costly incidents related to, for example, major systems failures.

PRIVATE INVESTMENT RISK: Investments in private investments, which include debt or equity investments in operating or holding companies, investment funds, joint ventures, royalty streams, commodities, physical assets, and other similar types of investments that are highly illiquid and long-term. A portfolio's ability to transfer and/or dispose of private investments is expected to be highly restricted.

PUBLIC HEALTH CRISES (e.g. Covid-19): We are currently experiencing a major public health crisis as a result of the "SARS-CoV-2" (sometimes referred to as the "coronavirus" and abbreviated as "COVID-19") pandemic. This or other similar events have and can cause a large number of illnesses or deaths, have had and could continue to have a major impact on the global economy and financial markets, including financial market volatility and changes in interest rates, which could negatively impact client investments. In addition, this has resulted in disruptions to commercial activity relating to the imposition of quarantines and travel restrictions, failures to contain the outbreak and could negatively impact the Adviser's ability to effectively identify, monitor, operate and dispose of client investments.

QUANTITATIVE MODEL RISK: When executing an investment strategy using various proprietary quantitative or investment models, securities or other financial instruments selected might perform differently than expected, or from the market as a whole, as a result of a model's component factors, the weight placed on each factor, changes from the factor's historical trends, and technical issues in the construction, implementation and maintenance of the models (e.g. data problems, software issues, etc.). There can be no assurance that a model will achieve its objective.

REGULATORY CHANGE RISK: From time to time, rules, laws and regulations will change-These changes could negatively impact the Adviser through additional cost of complying with them.

SANCTIONS & RELATED RISKS: Economic sanction laws in the United States and other jurisdictions prohibit ACM, its employees from investing in or transacting with certain countries, companies and issuers for and on behalf of its Clients.

SMALL- AND MID-CAP RISK: Compared to large-capitalization companies, small-capitalization and mid-capitalization companies tend to be less stable and more susceptible to adverse developments, and their securities could be more volatile and less liquid.

SECTOR RISK: To the extent a portfolio invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market can be more volatile, and can perform differently, than the broader market. The several industries that constitute a sector could all react in the same way to economic, political or regulatory events. A portfolio's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries could adversely affect performance.

U.S. ECONOMIC RISK: The United States is a significant trading partner with other countries. Certain changes in the U.S. economy could have an adverse effect on the economy and markets of other countries.

UNDERLYING FUND RISK: A portfolio investing in funds (underlying funds) includes, but is not limited to, the performance of the underlying fund and investment risk of the underlying fund's investments, as the underlying fund could involve highly



speculative investment techniques, including extremely high leverage, highly concentrated portfolios, workouts and startups, control positions and illiquid investments. In particular, the risks for a portfolio operating under a fund of funds structure are various. The performance of the portfolio will depend on the performance of the underlying funds' investments – there can be no assurance that a multi-manager approach will be successful or diversified, or that the collective performance of underlying fund portfolio investments will be profitable. There could be limited information about or influence regarding the activities of the underlying fund's investment advisors and underlying funds, like any other asset, potentially subject to trading restrictions or liquidity risk. Portfolio investments in underlying funds will generally be charged the proportionate share of the expenses of investing in the underlying fund(s).

USE OF MATERIAL NON-PUBLIC INFORMATION: ACM Supervised Persons, from time to time, come into possession of material, non-public information in connection with investment management offered in different groups. As such, the Adviser will be restricted from investing in certain transactions it otherwise would have initiated or from selling an investment it otherwise would have sold.

VOLATILITY RISK: The prices of a portfolio's investments can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies.

ITEM 9. Disciplinary Information

There are no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of the Adviser's advisory business or the integrity of its management.

ITEM 10. Other Financial Industry Activities and Affiliations

Relying Adviser

Covenant CLO Advisors, LLC, a majority-controlled affiliate of AIG Credit Management, LLC, is registered with the SEC as a Relying Adviser of AIG Credit Management, LLC. Covenant CLO Advisors, LLC manages one CLO Fund.

Affiliates

AIG Credit Management is affiliated with other institutions owned by, or under common control of, its AIG parent companies. Employees of AIG Credit Management can also be "dual hatted" employees, or associated persons, of its affiliates creating real or perceived conflicts of interest which are addressed in Item 11 and Item 12.

AIG Asset Management (U.S.), LLC ("AMG") is an indirect subsidiary of AIG and is dedicated to providing investment advisory and asset management services to AIG and its affiliates. The Adviser initially registered with the Securities and Exchange Commission ("**SEC**") as an investment adviser on May 13, 2009. The Adviser directly manages discretionary accounts for AIG, AIG affiliates, and unaffiliated institutional clients.

In September 2015, AIG acquired **First Principles Capital Management, LLC ("First Principles")**, a registered investment advisor. First Principles is a wholly owned subsidiary of AIG, with sales and marketing and other expertise across the global fixed income securities and derivatives markets. They provide customized investment portfolios for institutional clients, including endowments and foundations, insurance companies and corporations. Additionally, First Principles provides fixed income services to their commercial bank clients, as well as various investment management and wealth maximization strategies for private clients, including single and multi-family offices, trusts, family owned businesses



and high net worth individuals and their advisors.

AIG Asset Management (Europe) Limited ("AAMEL") is an indirect subsidiary of AIG, and is an affiliated adviser registered with the Financial Conduct Authority ("FCA") in the United Kingdom. Clients of AAMEL are permitted to invest in CLO Funds or separately managed accounts managed by the Adviser.

AIG Global Capital Markets Securities, LLC ("GCMS"), is indirectly owned by AIG and is registered as a broker-dealer with the Financial Industry Regulatory Authority ("FINRA"), and the SEC, and is also a member of the Securities Investor Protection Corporation ("SIPC"). GCMS is used for limited activities on behalf of AIG affiliates consistent with its Membership Agreement with FINRA. GCMS can trade fixed income securities on an agency basis. From time to time it will act as a placement agent or otherwise affect a variety of different types of private placements and/or debt-related transactions on an agency "best efforts" basis, and GCMS will receive fees and compensation for such services.

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

CODE OF ETHICS

The Adviser maintains a Code of Ethics ("the Code") as required by applicable SEC rules. The Code requires employees to conduct business in an honest and forthright manner in accordance with the highest of ethical standards. In addition, the Code of ethics requires employees to put Client interests ahead of our own and disclose actual and potential material conflicts of interest. The Code of ethics incorporates the information barrier and personal securities trading standards that are further described below. AIG Credit Management employees are required to report any violation of the Code of Ethics promptly to the Chief Compliance Officer.

A copy of the Code of Ethics is available upon request by any client or prospective client.

POTENTIAL CONFLICTS OF INTEREST REGARDING SECURITIES TRADING

It is possible that the Adviser will transact in securities on behalf of Funds or separately managed accounts in which the Adviser, or the Adviser's affiliates have a material financial interest. This financial interest can come in the form of the Adviser's direct investment in a Fund, the Adviser's management of affiliate client accounts, and other investments of the Adviser's affiliates.

The Adviser addresses these conflicts with policies and procedures designed to minimize conflicts of interest. These include:

Pari Passu Investments

Where the Adviser elects or is required to own a portion of the Funds it manages, or where affiliates of the Adviser own the Funds it manages, the Adviser's and its Affiliate's financial interests are aligned with the financial interests of other investors in these Funds.

Allocation Policy

AIG Credit Management maintains objective policies and procedures intended to provide a fair and equitable allocation of opportunities to its affiliated and unaffiliated clients, and Funds.



Information Barriers

AIG Credit Management maintains an information barrier that only provides it with affiliate portfolio holdings information for the accounts the Adviser manages. These barriers prevent the Adviser from having knowledge of the financial interests of its affiliates outside of the accounts the Adviser manages.

Principal Trades Policy

A principal transaction is one in which the Adviser purchases or sells for its own account or the account of its affiliates. Realistically, a principal transaction would occur when a portfolio manager determined that it would be beneficial to both an unaffiliated Client and an affiliated Client to engage in a securities transaction. If the Advisor decides to engage in any such principal transaction, it will comply with the requirements of Section 206(3) of the Advisers Act by: (i) disclosing to the Client in writing the material terms of the transaction; and (ii) obtaining the written consent of the Client for such transaction.

In addition, the Adviser, from time to time, will recommend funds that are affiliated with or sponsored by affiliates of AIG, or funds for which the Adviser or other AIG affiliates act as an investment adviser. In such instances, the Adviser shall disclose (by providing a copy of the current offering materials relating to such fund) the nature of the Adviser's (or its affiliate's) relationship with such fund and the fee which the Adviser or such affiliate will receive as a result of such subscription to such fund.

Cross Transactions Policy

The Adviser could engage in cross transactions where the Adviser acts as investment adviser to clients on both sides of the transaction. Where applicable, the Adviser will comply with applicable requirements under Section 206(3)-2 of the Advisers Act when engaging in these transactions. Clients are required to provide prospective consent to cross transactions through the investment management agreement. Clients should understand they are under no obligation to provide this consent and can revoke their consent at any time.

POTENTIAL CONFLICTS OF INTEREST ARISING FROM CO-INVESTMENT OPPORTUNITIES AND ADDITIONAL COMPENSATION

The Adviser from time to time originates or arranges transactions in which both the Adviser's clients and third parties participate as co-lenders or co-investors. While the circumstances will vary, the decision to seek additional third party co-investors could arise, among other reasons, as a function of (i) the size, nature, risk profile, target return profile and type of investment opportunity; (ii) principles of diversification of assets, including, without limitation, in respect of geography, investment size and sector; (iii) the investment guidelines, limitations and investment strategies of the Adviser's clients; (iv) then-existing cash availability of the Adviser's clients; (v) the magnitude of the investment; (vi) a determination by the Adviser that the opportunity is inappropriate, in whole or in part, for one or more of the Adviser's clients; (vii) liquidity considerations, and (viii) legal, regulatory, tax or contractual restrictions or consequences affecting the Adviser's clients' ability to participate in the investment.

In connection with these transactions, the Adviser will earn and retain "up-front" or recurring origination, arrangement, structuring, servicing or other customary fees in respect of such third-party investors' participation. Such fee income creates a conflict of interest because there is an inherent incentive for the Adviser to maximize the potential to receive fees. For example, the Adviser will be faced with a conflict of interest when allocating scarce investment opportunities given the possibility of greater fees from third parties that pay such fees as opposed to client accounts that do not. Areas in which scarce investment opportunities exist include commercial mortgage loans, equity real estate investments, middle market loans, directly-originated private placements notes, privately negotiated structured credit transactions, side-by-side



investment opportunities, primary investments in alternative investment funds, direct or indirect investments in and co-investments alongside alternative investment funds, and new issue securities. The Adviser also has an incentive to originate or arrange transactions, funded in part by client accounts, with a view toward attracting fee generating co-investments by third parties rather than furthering the investment objectives of its clients.

To address these types of conflicts, the Adviser has adopted policies and procedures pursuant to which allocation decisions cannot be influenced by fee arrangements and investment opportunities will be allocated in a manner that we believe to be consistent with our obligations as an investment adviser.

POTENTIAL CONFLICTS OF INTEREST ARISING FROM MANAGING FUNDS THAT HAVE DIFFERENT LEVELS OF PERFORMANCE FEES

AIG Credit Management faces a conflict of interest to the extent that it manages a Fund for which it receives a performance fee at the same time as it manages one or more other clients for which it receives a different level of performance fee.

To address these types of conflicts, the Adviser has adopted policies and procedures that include the consideration of various factors (e.g., Collateral Quality Test Limits (as defined in the corresponding Indenture)). As such, allocation decisions are not influenced by fee arrangements and investment opportunities will be allocated in a manner that the Adviser believes to be consistent with its obligations as an investment adviser.

PERSONAL SECURITIES TRADING STANDARDS

The Adviser maintains personal securities trading standards that govern the trading activities of its employees as well as their household members and dependents. Subject to certain limited exceptions, employees are required by standards to:

- Report personal securities transactions to our Compliance unit;
- Pre-clear personal securities transactions (for employees considered to be “supervised persons” under SEC rules);
- Maintain brokerage accounts only with certain approved brokers that report transaction information to our Compliance unit;
- Annually report securities holdings to the Compliance unit.

AIG Credit Management supervised persons and investment personnel are subject to additional restrictions under the policy, including the following:

- Investment personnel are generally prohibited from purchasing securities in initial public offerings;
- Supervised persons cannot trade any security on the same day that AIG Credit Management trades such security (or an equivalent security) for Client accounts;
- Investment personnel are prohibited from trading any security within seven days before or after AIG Credit Management trades such security (or an equivalent security) for client accounts.

The Adviser compares personal trading activity versus firm trading and restricted list content, and any potential violations and, if necessary, disciplinary actions are considered and investigated by the Compliance department.

All investment advisory employees receive annual training regarding the personal securities trading and information barrier standards. In addition, employees must annually confirm that they have read and understand the Code, including the personal securities trading and information barrier policies.



GIFTS AND ENTERTAINMENT POLICY

Adviser employees occasionally give or receive gifts, meals or entertainment of moderate value, subject to compliance with applicable laws and regulations and rules of self-regulatory organizations. AIG Credit Management has adopted a policy to address the conflicts of interest related to gifts and entertainment, such as the appearance of having given or received something of value that influenced business decisions or the business decisions of AIG Credit Management clients. The policy requires the reporting and pre-clearance of gifts, meals and entertainment given or received which exceed certain thresholds. In addition, AIG Credit Management employees are prohibited from soliciting the receipt of gifts, meals or entertainment. Senior management periodically reviews summaries of gifts and entertainment activities to detect trends of abuse, conflicts of interest, or possible policy violations.

POLITICAL CONTRIBUTIONS POLICY

Due to the potential for conflicts of interest, AIG Credit Management has established policies relating to political contributions that are designed to comply with applicable federal, state and local laws. Under the political contributions policy, all AIG Credit Management employees (including spouses and dependent children) must obtain pre-approval before making a political contribution. This policy also prohibits AIG Credit Management employees from making a political contribution with the intent of influencing a public official regarding the award of a contract to AIG Credit Management or its affiliates.

OUTSIDE BUSINESS ACTIVITY POLICY

Given the nature of AIG Credit Management's business, AIG Credit Management's duties to its clients and the role of investment advisory professionals generally, employees that engage in outside business activities could face numerous conflicts of interest. Outside business activities include, but are not limited to, service as a partner, officer, director, owner or trustee of, or an employee or consultant to a corporation, partnership, limited liability company, association or other organization that is not owned, in whole or in part, or otherwise affiliated with AIG Credit Management. To avoid such conflicts, employees must disclose all outside business activities and receive written pre-approval from the Compliance department prior to pursuing any outside business activities.

ITEM 12. Brokerage Practices

As described further below, the Adviser has discretion over the selection of brokers with whom Client orders for the purchase or sale of securities are placed for execution and the price per share and the commission rates at which securities transactions are effected. The Adviser maintains an approved list of broker-dealers. All securities transactions (with the exception of the limited trades mention in Item 10 above), placed by the Adviser for Clients are executed through broker-dealers that are unaffiliated with the Adviser.

In selecting a broker-dealer for each specific transaction, the Adviser will use its best judgment to choose the broker-dealer most capable of providing the brokerage services necessary to obtain the best execution under the relevant circumstances. In executing Client transactions, the Adviser will take into consideration, among other factors:

- a) The coverage provided by the broker-dealer of specific regions, industries, sectors or companies;
- b) The reputation and standing of its analysts;
- c) Its investment strategies;



- d) Timing;
- e) Accuracy of statistical information; and
- f) The value of internal or third-party research supplied by the broker-dealer.

Pursuant to the investment advisory agreement between the adviser and a Client, the Adviser will place orders for the execution of transactions with or through such brokers, dealers or banks as the Adviser selected in its sole and absolute discretion, and consistent with its duty to seek best execution and in compliance with applicable securities laws, including Section 28(e) of the Securities Exchange Act of 1934, as amended, pay a commission on transactions which could be greater than the amount of the commission another broker or dealer might have charged, provided that the Adviser determines in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided, viewed in terms of either that particular transaction or the overall responsibilities with respect to all the accounts as to which investment discretion was exercised. Subject to the foregoing, the Client acknowledges that such research services could be used in providing services to Clients other than the Client whose commissions were used to provide the research, and that such information will not necessarily be used by the Adviser in connection with rendering services to the Client.

To the extent permitted by law, the Adviser aggregates orders for Client accounts. The Adviser uses diligent efforts in adherence with its policy to allocate investment opportunities fairly and equitably among its Clients when there is a limited supply of a security.

Aggregation of Client Orders

To the extent permitted by law, and each client's investment management agreement, the Adviser aggregates orders for multiple Client accounts into a single bunched order prior to submitting an order to a broker-dealer. In determining client orders, the Adviser considers investment objectives, investment policies, risk tolerance, regulatory and/or compliance restrictions, investment horizon, available or foreseeable cash (and liquidity requirements), tax position, tolerance for portfolio turnover, account "ramp-up" issues, the size of the accounts, cash availability in each account and each account's investment restrictions and investment strategies. Should an aggregated order only receive a partial fill or partial execution, the Adviser generally allocates the investment and its associate transaction costs pro-rata amongst all participating clients.

Allocation of Investment Opportunities

The Adviser maintains an allocation policy that promotes fair and equitable allocation of investment opportunities among its Clients when there is a limited supply of a security. When a transaction is deemed suitable for more than one Client, the Adviser considers a variety of factors in making the allocation decision, including but not limited to the Client's investment objectives, investment policies, risk tolerance, regulatory and/or compliance restrictions, investment horizon, available or foreseeable cash (and liquidity requirements), tax position, tolerance for portfolio turnover, account "ramp-up" issues, the size of the accounts, cash availability in each account and each account's investment restrictions and investment strategies.

Prior to submitting an order, the Adviser records the accounts and their intended allocations based on the factors mentioned above. Upon receiving the Advisers "fill" from the broker-dealer, the Adviser allocates the investment according to the pre-trade order's allocation instructions. In the event of a partial fill, the Adviser allocates the investment pro-rata to all participating accounts based on their pre-trade intended allocations. Due to the nature of fixed income investing and trading, the Adviser will often round pro rata allocations to provide clients with round lots that promote future liquidity and the ability to achieve best execution on future trades.

The Adviser may deviate from the Allocation Policy described above when the circumstances of accounts have changed



between the time the initial order was submitted, to the time the order was executed and the Adviser receives the “fill”. This can occur because of non-standard settlement times inherent in bank loans. An account which was originally intended to participate in a transaction may be removed from the final allocation because the account no longer has available cash, the intended investment is no longer eligible because the account fails a test or has exceeded a guideline, the resulting pro rata allocation is de minimus to the investment strategy, or other circumstances which make the intended investment no longer appropriate for the account. In these instances the Adviser will generally allocate the investment pro rata amongst the remaining eligible accounts.

ITEM 13. Review of Accounts

Client Accounts

The Adviser has implemented policies, procedures, and multiple layers of controls that form the foundation of its client account review process. Protocols are in place to verify proposed trades are within client account guidelines and Fund indentures. Ongoing monitoring takes place daily, where portfolios reviewed for adherence to investment guidelines, credit risk and investment strategy. These reviews involve management, portfolio managers, operations staff, and research associates.

Immediate Review of Client Accounts

Any unusual activity or event will trigger an immediate review of a client account.

Client Reporting

For CLO Funds, the trustee for each Fund will provide monthly written reports for each investor in a Fund. Each report will contain data and test results related to the corresponding governing documents for each Fund.

Client reporting for separately managed accounts will include performance reporting, data, and test results in a manner requested by clients and subject to the Adviser’s ability to provide such information. The availability, frequency, and content of separately managed account reporting will be described in each client’s investment management agreement.

ITEM 14. Client Referrals and Other Compensation

Compensation from Non-Clients

The Adviser does not receive economic benefits from non-clients for investment advice or other advisory services.

Compensation for Client Referrals

The Adviser does not compensate any person for client referrals (directly or indirectly).

ITEM 15. Custody

The Adviser manages CLO Funds with structures including a Trustee and Administrative Agent consistent with industry standards. As such, the Adviser does not have custody of Client funds and has established policies and procedures regarding compliance with Rule 206(4)-2.

ITEM 16. Investment Discretion

The Adviser has discretionary authority to manage securities and investments on behalf of Funds and clients with separately managed accounts. Prior to assuming discretion in managing a client’s assets, the Adviser enters into an investment management agreement, or other agreement, with the Fund or client that sets forth the scope of the Adviser’s



discretion. The discretionary authority is bound by the investment guidelines set forth in the Fund indenture or investment management agreement of each account.

ITEM 17. Voting Client Securities

The Adviser has the authority to vote as proxy for all client accounts. The Adviser's voting procedures have been adopted pursuant to Rule 206(4)-6 under the Advisers Act and decisions are made in the best interest of each client's objectives. At times, conflicts could arise between the interests of clients on the one hand and the interests of the Adviser or its affiliates on the other hand. If the Adviser determines that it has or may be perceived to have a conflict of interest when voting a proxy, the Adviser will address matters involving such conflicts of interest as follows:

If a proposal is addressed by the specific policies in the Adviser's Compliance Manual, the Adviser will vote in accordance with such policies;

If the Adviser believes it is in the best interest of our clients including a Fund to depart from the specific policies provided for in the Adviser's Compliance Manual, the Adviser would be subject to the requirements of (I) or (II) below, as applicable;

- (I) If the proxy proposal is (1) not addressed by the specific policies or (2) requires a case-by-case determination by the Adviser, the Adviser will vote such proxy as it determines to be in the best interest of our clients without taking any action described in (II) below, provided that such vote would be against the Adviser's own interest in the matter (i.e., against the perceived or actual conflict). The Adviser will memorialize the rationale of such vote in writing; and
- (II) If the proxy proposal is (1) not addressed by the specific policies or (2) requires a case-by-case determination by the Adviser and the Adviser believes it should vote in a way that will also benefit or be perceived to benefit its own interest, then the Adviser must take one of the following actions in voting such proxy: (i) delegate the voting decision for such proxy proposal to an independent third party; (ii) delegate the voting decision to an independent committee of partners, members, directors, or other representatives of the fund, or account, as applicable; inform the client of the conflict of interest and obtain consent to vote the proxy as recommended by the Adviser; or (iv) obtain approval of the decision from the Compliance Officer.

The Adviser could also resolve material conflicts of interest by suggesting that a client use another party to determine how proxies should be voted. Fund investors can obtain a copy of the proxy voting policies and procedures upon request.

ITEM 18. Financial Information

The Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

The Adviser has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients.