

**Item 1 – Cover Page**

**PineBridge Investment LLC**

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Form ADV Part 2A

March 30, 2023

Contents of this document include both the PineBridge Investments LLC Privacy Notice as well as the Brochure.

The Brochure provides information about the qualifications and business practices of PineBridge Investments LLC. If you have any questions about the contents of this Brochure, please contact us at 646-857-8000. 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.

PineBridge Investments LLC is an SEC registered investment adviser. Registration with the SEC does not imply a certain level of skill or training.

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

## **Privacy Notice**

PineBridge Investments LLC (“PineBridge”, “PBI LLC”, “we,” “us”, or “our”) considers privacy fundamental to maintaining the trust and confidence of our investors (“you”). We are committed to maintaining the confidentiality, integrity, and security of non- public personal information about current, prospective, and former clients and individual investors in our funds. Our precautions include the adoption of certain procedures designed to maintain and secure such persons’ non-public personal information from inappropriate disclosure to third parties. Federal regulations require us to inform individual investors of this privacy policy. This policy applies to the personal privacy of individuals; it does not apply to corporate persons or legal entities that are not natural persons.

### **Information We Collect**

We respect your right to personal privacy. We also know, however, that you expect us to conduct our operations in an accurate and efficient manner. To do so, we must collect and maintain non-public personal information which can include, but is not limited to, addresses, telephone numbers, dates of birth, assets, income, account information, and identification information (e.g., Social Security number, Social Insurance number, driver’s license number, passport number, etc.) from the following sources:

- (i) Information we receive from you on applications, subscription agreements, investment management agreements, or other forms;
- (ii) Information we receive from you through interaction with you on the telephone, in person, or through email;
- (iii) Information about your transactions with us, our affiliates, or others, including service providers that are necessary to carry on our everyday business purposes, such as to maintain accounts and process transactions; and
- (iv) Information from third parties with whom we deal, such as consumer-reporting agencies, to verify information we receive from you and your creditworthiness.

Some information may be collected through PineBridge websites, which have their own privacy policies.

### **How We Use Information**

We will use non-public personal information for the following purposes, as applicable:

- (i) To manage and administer your holdings in our funds and any related accounts on an ongoing basis in accordance with the contract between you and us;
- (ii) To carry out statistical analysis and market research which are in our or our affiliates’ legitimate business interest; and
- (iii) To comply with legal and regulatory obligations applicable to you and us from time to time including applicable anti- money laundering and counter terrorist financing legislation.

Additionally, we may use an individual’s non-public personal information for our own direct marketing, which you may choose to opt out of upon request. The applicable contact details will be included in such communication to effectuate a desired opt out.

### **Information We Disclose**

Subject to legal, regulatory, or other governmental requirements, it is our policy not to disclose any of an individual’s non- public personal information to third parties without their consent, unless those parties are providing services or support to us and have agreed to keep such non-public personal information confidential. Examples of these parties include, but are not limited to, fund administrator, attorneys, and accountants.

We distribute certain non-public personal financial information, such as the schedule of investors to the fund agreement and capital account information, to all investors in each specific fund, to any regulatory

authority having jurisdiction over us or any of our funds; or in connection with any litigation or other dispute or otherwise as necessary or appropriate to enforce the terms of our agreements with you or to investigate, defend, or assert legal rights.

### **Protecting Your Information**

We maintain physical, electronic, and procedural safeguards consistent with industry and federal standards designed to safeguard your non-public personal information and, which we believe, are adequate to prevent unauthorized disclosure of information. To further protect non-public personal information, we restrict access to such information to only employees who need the information in order to provide products or services to you and have been trained as to the proper handling of such information.

These or comparable safeguards are utilized when providing non-public personal information to a third party. Any party receiving such information are bound to use it only for the services required and as allowed by applicable law or regulation and is not permitted to share or use the information for any other purpose. If you decide to close your account(s) or become an inactive investor, we will continue to adhere to the privacy policies and practices as described in this Privacy Notice or as otherwise prescribed by law or regulation.

### **Accuracy and Correction of Information**

We take steps to ensure that information is current and accurate by updating our records as needed. From time to time, and only when necessary, we may request confirmation of information that reasonably appears to be inaccurate or outdated.

Individuals, including current, former, and prospective clients and investors, may exercise rights under applicable law to access personal information held by us in order to rectify or delete any such information that is factually incorrect, incomplete, or irrelevant for the purpose for which it is processed, and they may also raise any concerns as to the use or disclosure of their personal information. Any changes or corrections to personal information must be made in writing and sent to our Privacy Officer at [PrivacyOfficer@PineBridge.com](mailto:PrivacyOfficer@PineBridge.com). All lawful requests to make corrections or changes to an individual's personal data will be made as soon as practicable, unless otherwise prohibited by law or regulation. If we are unable or otherwise prohibited from adhering to a request to change or correct an individual's personal data, such request will be annotated in our records.

### **Withdrawal of Consent**

Individuals, including current, former, and prospective clients and investors, may exercise rights under applicable law to withdraw their consent for the collection, use, or disclosure of non-public personal information by providing reasonable written notice to our Privacy Officer at [PrivacyOfficer@PineBridge.com](mailto:PrivacyOfficer@PineBridge.com). Upon lawful request, we shall inform the individual of the likely consequences of the withdrawal of consent and will cease to collect, use, or disclose the non-public personal information unless otherwise permitted or required by applicable laws and regulations.

### **Cross Border Disclosure**

In order to use and disclose the non-public personal information, such information may be transferred internationally, including from the European Economic Area to the U.S. and other countries which the European Union has deemed do not provide "adequate" protection for personal information. During such transfers, we will apply the same standards of privacy protection as set out in this privacy policy regardless of the international transfer or processing of personal information. If such transfer occurs with respect to the non-public personal information relating to an individual residing in the European Union, we are required to ensure that processing of such personal data is in compliance with the General Data Protection Regulation (Regulation (EU) 2016/679) and, in particular, that appropriate measures are in place such as entering into Model Contractual Clauses (as published by the European Commission) or

ensuring that the recipient is Privacy Shield certified, if appropriate.

If, at any time in the future, it is necessary to disclose any individual's personal information, including current, former, and prospective clients and investors, in a way that is inconsistent with this policy, we will give such investor written notice of the change and, where required under applicable law, obtain consent to such change.

**Item 2 - Material Changes**

PBI LLC's last annual update to this brochure was made on November 04, 2022, related to the use of third-party promoters in alignment with the SEC's New Marketing Rule.

Since this update, no further material updates have been made herein.

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## **Item 4 - Advisory Business**

### **Firm Description**

PineBridge Investments is the trade name given to the global asset management business of PineBridge Investments, L.P., a Cayman Islands limited partnership ("PILP"), which is a majority-owned subsidiary of Pacific Century Group ("PCG"), an Asia-based private investment group. In the United States ("U.S."), PineBridge Investments LLC ("PBI LLC" or the "Firm") operates as a member company of PineBridge Investments. Mr. Greg Ehret is PBI LLC's Chief Executive Officer.

PineBridge Investment Partners LLC ("PIP LLC"), PineBridge Partners LP ("PIP LP"), and PineBridge/Fiera Select Plus Management Co. LLC ("Select Plus Management Co.") are investment advisers affiliated with PBI LLC. Each of PIP LLC, PIP LP, and Select Plus Management Co. is registered as an investment adviser in reliance on PBI LLC's Form ADV and conducts its investment advisory activities in accordance with PBI LLC's compliance policies and procedures. As pertinent, PIP LLC, PIP LP, and/or Select Plus Management Co. are included in the term "PBI LLC" or the "Firm."

### **Principal Owners**

PBI LLC is a Delaware limited liability company that is a wholly owned subsidiary of PineBridge Investments Holdings US LLC ("PineBridge Holdings"), also a Delaware limited liability company. PineBridge Holdings is a wholly owned subsidiary of PILP. The general partner of PILP is Bridge Holdings Company Limited ("Bridge Holdings"). Bridge Holdings is wholly owned by Pacific Century Investment Holdings No. 1 Limited ("PCIH No. 1"). PCIH No. 1 is wholly owned by ChiltonLink Limited, which, in turn, is wholly owned by Richard Li.

The sole member of PIP LLC is PILP. PIP LP is majority-owned and controlled by PBI LLC. The limited liability company interests of Select Plus Management Co. are owned equally by PBI LLC and Fiera Capital Inc., an investment adviser separately registered with the SEC.

### **Types of Advisory Services**

PBI LLC is an investment adviser that provides investment management / advisory services to predominantly sophisticated institutional and ultra-high net worth individual clients (collectively referred to herein as "Investors") through U.S. registered investment companies, separate accounts, funds-of-one, and privately-offered commingled funds including collateralized loan obligations ("CLOs") (collectively referred to herein as "Funds") across a wide range of asset types, including equity, multi-asset, fixed income, direct lending, and alternative investments. Such services are expected to include the rendering of investment advice, the execution of investment transactions as agent on behalf of such Investors, and the settlement and reconciliation of all such trades with third-party custodians.

PBI LLC provides through its Funds:

- (i) a wide range of equity investment management capabilities including exchange-listed securities, securities traded over the counter, foreign issues, small-capitalization securities, and warrants;
- (ii) a multi-asset strategy that provides a forward-looking approach whose design aims to protect portfolios during periods of stressed correlations;
- (iii) an array of fixed income investment management capabilities which hold a range of fixed income securities including corporate debt securities, leveraged loans, high yield, and investment grade debt. The Firm also invests, on behalf of its Investors, in government securities and structured products, such as mortgage and other asset-backed securities; and
- (iv) a variety of alternative investment management capabilities, which includes direct loans, direct investments, secondary investments, primary partnership investments, and multi-manager hedge funds. The Firm has and maintains the capability to recommend investments in private funds for which it or one of its affiliates serves as investment adviser and/or general



partner.

#### Tailored Relationships

PBI LLC tailors advisory services to the needs of each Client and aims to deliver consistent, long-term results through a robust global investment platform. The Firm strives to collaborate with its highly sophisticated Investors and leverage the platform of investment capabilities to develop customized solutions.

Investors often impose investment restrictions in certain securities or types of securities within their Funds. The Firm's portfolio managers are responsible for following the investment guidelines for each Investor as defined in the applicable investment management agreement ("IMA") or other governing constitutional document/agreement. The PineBridge Compliance Department ("Compliance") along with senior management, has developed a supervisory structure to monitor and provide guidance to its investment professionals.

#### Affiliates

PBI LLC operates its investment management business through multiple affiliates, some of which are registered with non-U.S. regulatory authorities. The Firm is authorized to use the services of appropriate personnel of one or more of its affiliates for investment advice, trading, and/or Investor servicing in their local or regional markets, except to the extent that such activity is restricted by the Investor in or pursuant to its IMA, governing documents, or is inconsistent with applicable law. Arrangements among affiliates could take the form of a formal sub-advisory agreement or a participating affiliate agreement. This is designed to make the Firm's global capabilities seamlessly available to the Firm's Investors.

PBI LLC provides services to certain affiliates for a fee, including PineBridge Galaxy LLC, an affiliated U.S. registered investment adviser.

#### Investor Assets

As of December 31, 2022 (rounded to the nearest \$1.00):

Discretionary:	\$58,042,468,578
Non-Discretionary:	\$6,540,513,329
<b>Total:</b>	<b>\$64,582,981,907</b>

## **Item 5 - Fees and Compensation**

### **Description**

PBI LLC's investment advisory fees are negotiable and are typically based upon a percentage of the total assets managed for the Investor by PBI LLC. Fee arrangements vary by Investor and are based on a number of different factors including, but not limited to, investment mandate, services performed, account size, and account relationship. Fees vary depending on the investment vehicle and structure. For example, fees charged for the management and administration of pooled investment vehicles tend to be higher than for separately managed accounts. The specific manner in which fees are charged by PBI LLC is usually established in an Investor's written agreement with the Firm or is set forth in applicable Fund offering documentation. The percentages upon which annual basic fees are based vary depending on the Investor's investment objectives, the extent of the services desired, the types of assets to be managed, and other various competitive factors.

PBI LLC serves as sub-adviser to several registered mutual funds. For these accounts, PBI LLC is typically paid a management fee based on the level of assets under management.

General fee structures, including those noted in the Fee Schedule section below, can be modified for any reason, such as where a new account is expected to grow rapidly, where a relationship already exists with a current Investor, or where the Investor retains PBI LLC to provide services with respect to multiple investment mandates. The differing levels of basic fees among the categories described in Fee Schedule below take into account such factors as the degree of investment management activity, supervision required, the nature of the discretionary or non-discretionary service provided, and the types of investment guidelines and restrictions imposed upon the management of the applicable account. Depending on the share-class, the fees charged for certain pooled investment vehicles can be higher than those stated below and are specified in each Fund's respective offering documentation. In addition, fees may differ depending on specialized investment strategies with individualized fee arrangements in place, as well as historical fee schedules with long-standing Investors that could differ from those applicable to new Investor relationships.

PBI LLC is authorized to use its discretionary authority to cause Investors to invest in mutual funds or other pooled investment products, including products managed by PBI LLC or an affiliate. In connection with these underlying investments, Investors bear the management and other fees and expenses in accordance with their applicable constituent documents.

The fees described in the Fee Schedule section below are for strategies managed by the Firm. Unless stated otherwise, management fees set forth below refer to fees determined on a per annum basis and relate to a percentage of assets under management for the specific Client.

Fees and expenses applicable to unregistered pooled investment vehicles advised by the Firm ("Private Investment Funds"), are set forth in the applicable Private Placement Memorandum ("PPM"), subscription agreement, and/or other governing document. Similarly, fees and expenses applicable to registered products are described in each applicable product prospectus.

### **Fee Schedule**

#### **Private Investment Funds**

PBI LLC directly or indirectly is the general partner and investment adviser to our Private Investment Funds structured as limited partnerships, similar closed-end vehicles, or separate accounts. Such Funds seek to achieve their investment objectives through either direct investments executed by the Firm's investment teams or through investments made in private funds managed by unaffiliated managers. Management fees for Funds that invest in private equity and private credit strategies ("Private Fund Clients") generally are based upon a percentage of the Fund's aggregate committed or invested capital

ranging from 0.00% to 1.50%.

PBI LLC generally also receives a performance-based profits interest through each applicable Fund's general partner, entitling it to a certain percentage of the realized profits subject to a preferred return or hurdle rate to limited partners. For primarily illiquid investment strategies, these profits interests are based on realized gains and received income only, and is subject, in some cases, to a reserve or "clawback" arrangement to the account for losses incurred on holdings subsequently sold. All carried interest profit allocations are subject to regulation under Section 205 of the Investment Advisers Act of 1940 ("Advisers Act") and Rule 205-3 thereunder.

*Other Fees Related to Private Investment Funds Only.* PBI LLC and its affiliates are entitled to receive cash and non-cash break-up, directors', commitment, monitoring, organizational, setup, advisory, investment banking, underwriting, syndication, administration, transaction, financing, amendment, prepayment, closing, termination, consent, and other similar fees in connection with the purchase, monitoring or disposition of investments or from unconsummated transactions, including warrants, options, derivatives and other rights in respect of securities owned by a Private Fund Client. Private Fund Clients will receive the benefit of certain such fees only as set forth in their respective constituent documents.

Generally, feeder vehicles into a master fund bear a pro rata share of the expenses associated with the related master fund and all expenses specifically associated with the feeder fund.

#### *Emerging Market Equity*

Emerging market equity programs encompass the management of portfolios of equity securities globally, within individual emerging market countries, or across multiple emerging market countries within a geographic region. Fees are generally charged as a fixed percentage ranging from 0.50% to 2.25% of assets under management.

#### *Developed Market Equity*

Developed market equity programs encompass management of portfolios of equity securities globally, within individual developed market countries, or across multiple developed market countries within a geographic region. Fees are generally charged as a fixed percentage ranging from 0.50% to 1.00% of assets under management.

#### *Tracking Error Constrained Equity Strategies*

Tracking error constrained equity programs encompass management of portfolios of equity securities with the objective of optimizing risk and return within a pre-specified tracking error of a reference index. These programs could include securities in either developed, emerging, or global equity markets. Fees are generally charged as a fixed percentage ranging from 0.25% to 0.56% of assets under management.

#### *Investment Grade Fixed Income Strategies*

Fixed income programs encompass management of portfolios of debt obligations of investment grade corporations and sovereign entities, or their agencies encompassing a narrow or broad range of credit instruments in either or both emerging and developed markets. Fees are generally charged as a fixed percentage ranging from 0.20% to 2.25% of assets under management.

#### *Below Investment Grade Fixed Income Strategies*

Fixed income programs encompass management of portfolios of debt obligations of non-investment grade corporations or other entities encompassing a narrow or broad range of credit instruments in either or both emerging and developed markets. Fees are generally charged as a fixed percentage ranging from 0.35% to 0.60% of assets under management.

### Bank Loan Strategies

Fixed income programs encompass management of portfolios of debt obligations of non-investment grade or non-rated corporations, or other entities encompassing a narrow or broad range of credit instruments in either or both emerging and developed markets. Fees are generally charged as a fixed percentage ranging from 0.15% to 0.50% of assets under management.

### Collateralized Loan Obligations

PBI LLC serves as collateral manager for several Collateralized Loan Obligations ("CLOs") as well as managing CLO tranche strategies. The fee structure for CLOs generally provides for a Senior Management Fee of 0.15% to 0.30% and a Subordinated Management Fee of 0.20% to 0.30%; each based on the aggregate principal value of investments. The Senior Management Fee will be paid prior to any payments made to CLO noteholders. The Subordinated Management Fee will be paid only from interest proceeds remaining after payments of interest of the senior notes of the CLO and from principal remaining after payment in full of the senior notes. PBI LLC also typically receives an incentive fee, but this is subject to the performance of the collateral. Incentive fees are generally payable only to the extent that funds are available for such purpose under the priority of payment waterfall in the CLO documents, provided that certain performance hurdles relating to the internal rate of return of the equity investors are met on each payment date.

PBI LLC also receives fees through a sub-advisory and staff and services arrangement with PineBridge Galaxy LLC, an affiliate which manages CLOs.

### Direct Lending Strategies

Direct lending programs encompass management of portfolios of senior secured debt obligations of lower-middle market companies and mezzanine and other junior capital securities in companies based primarily in the United States. Fees are generally charged as a fixed percentage of 1.00% to 1.50% of the cost of all outstanding loans, in some cases in addition to a percentage of remaining capital commitments.

### Multi-Asset and Multi-Sector Strategies

Multi-Asset programs encompass management of multi-asset portfolios of equity, fixed income, and/or other securities. Multi-Sector programs encompass management of single asset class portfolios that span multiple geographies or security types. Fees generally are charged as a fixed percentage ranging from 0.40% to 0.75% of assets under management.

### Multi-Strategy Hedge Fund Strategies

Multi-Strategy Hedge Fund programs encompass management of portfolios across multiple strategies, asset classes, and geographic regions. and may invest in a wide variety of securities, instruments, and other opportunities primarily by allocating to multiple unaffiliated third-party sub-advisers as well as possible affiliated sub-advisers. Management fees for these Funds advised by the Firm generally are based upon a percentage of a Fund's gross asset value up to 1.00%.

PBI LLC, via PIP LP, generally also receives a performance-based profit allocation through the Fund's general partner entitling it to a certain percentage of the increase in gross asset value subject to a customary "high water mark."

### **Other Fees**

PBI LLC's fees are exclusive of any brokerage commissions, transaction fees, and other related costs and expenses incurred by the Funds. Clients often incur certain charges imposed by custodians, brokers,

and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, interest expenses, other governmental charges, transfer and registration fees associated with products or services that are necessary or incidental to such investments or accounts, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in the respective product's prospectus. Performance fees are also charged on some accounts (please refer to the Performance-Based Fees and Side-By-Side Management section (Item 6) and Brokerage Practices section (Item 12) within this Brochure for additional details).

### **Other Compensation**

Sales personnel accept incentive sales payments from either PBI LLC or an affiliated broker-dealer for the sale of securities or other investment products based on a percentage of capital raised, as some PBI LLC employees are also registered representatives of the affiliated broker-dealer (PineBridge Securities LLC). The incentive sales payment is paid from the applicable management fee, not an additional separate fee paid by the Investor. Such management fees are generally based on a percentage of assets.

This practice presents a conflict of interest that gives the Firm and/or supervised persons an incentive to recommend investment products based on the compensation received, rather than on an Investor's needs. The Firm has adopted a Code of Ethics and Compliance Manual to address the ethical conduct of employees, including salespersons. The Code of Ethics requires, among other things, that employees place the interests of the Investors first. As fiduciaries, employees must avoid placing personal interests ahead of the interests of Investors.

A copy of this Brochure, including the disclosure of the potential conflict description above, is provided to all Investors prior to becoming a client of PBI LLC. In addition, certain Private Investment Funds managed by PBI LLC could be available for purchase through other brokers not affiliated with the Firm.

### **Fee Billing**

The Firm's management fees are billed according to the terms of applicable advisory agreement or governing documents (generally quarterly, monthly, or semi-annually). Fees for traditional equity and fixed income products and related strategies are generally calculated either

- (i) in arrears based on the average asset balance of the portfolio, or
- (ii) in arrears based on the asset balance of the managed portfolio on the last day of the previous period. Fees for alternative investment products and strategies are generally determined based on committed capital, invested capital, or net asset value, as defined in the offering materials or other governing documents.

Clawback provisions can apply to performance fees paid with respect to certain Private Fund Clients. A clawback provision is a provision within the constituent documents that allows for a review of the total profit distributed by the Private Fund Client at the end of a defined period and a mechanism to recapture overpayments to the relevant general partner or investment manager, if it received more than its share of stated carried interest. The timing and amount of the related performance fees or allocations are described in the relevant PPM or other governing documents.

### **Common Types of Expenses**

Private Investment Funds typically incur administrative fees, legal fees, audit fees, sales expenses, tax preparation expenses, organizational expenses, investment expenses, diligence fees, or other fees and expenses as disclosed in the relevant Private Investment Fund offering materials or other governing documents. In addition, each Private Investment Fund is expected to bear or reimburse PBI LLC for its allocable share of the expenses associated with:

- (i) any insurance policies obtained by PBI LLC in respect of the relevant Private Investment Fund or the activities of PBI LLC and its affiliates associated therewith, and any indemnified

- parties (as applicable and, including without limitation PBI LLC, its affiliates and members of the investment teams) from liabilities to third parties in connection with the relevant Private Investment Fund's investment and other activities; and
- (ii) the participation of internal counsel to PBI LLC in the negotiation and preparation of PBI LLC's management agreement with the relevant Private Investment Fund and all legal matters relating to the management of the relevant Private Investment Fund, the internal expenses described below in "Operating Expenses Related to Certain Internal Staff or Consultants" and other internal expenses as set forth in such Private Investment Fund's constituent documents. Private equity, private credit, and hedge funds charge management fees to the Investors' capital accounts (please refer to the Private Investment Funds Only section below for additional details).

### **CLO Expenses**

CLOs typically incur administrative fees, legal fees, audit fees, sales expenses, tax preparation expenses, organizational expenses, investment expenses, diligence fees, or other fees and expenses as disclosed in the relevant offering materials or other governing documents.

With respect to its CLO Clients, PBI LLC will be paid and reimbursed by the CLO issuer for all reasonable costs and expenses of PBI LLC incurred in connection with the negotiation and preparation of the collateral management agreement and the performance of its services on behalf of the CLO, including any and all rating agency expenses, specialty and custom software expenses for the monitoring of the assets of the CLO, due diligence costs, reasonable fees of legal counsel and consultants, expenses incurred in connection with acquisition, origination, holding, monitoring, marking to market, enforcement, amendment, default, restructuring, bankruptcy and disposition of any asset and investments in connection with, and administration of, and taking of actions pursuant to, the relevant transaction documents of the CLO and relating to proposed investments that are not acquired (which includes legal, tax, accounting, appraisal, and any rating agency costs to the extent not paid directly by the CLO issuer) and any extraordinary expenses and other unusual matters. Such expenses can be incurred directly by PBI LLC or by any service providers or any other agent. CLOs also bear a portion of certain allocable expenses, as described in more detail below.

#### **Internal Counsel Costs Allocated to CLOs**

PBI LLC has allocated and could continue in the future to allocate to PBI LLC-sponsored CLOs amounts determined in its reasonable discretion to constitute the allocable cost of the participation of internal counsel to PBI LLC including, without limitation:

- (i) in the negotiation and preparation of PBI LLC's collateral management agreement with the CLOs;
- (ii) in connection with matters incidental to refinancing, re-pricing, or other similar CLO-related transactions; or
- (iii) otherwise in connection with the performance of PBI LLC's obligations under the collateral management agreement.

### **Fees Paid in Advance**

In the event that any Investor governing agreement provides for a fee to be payable to PBI LLC in advance, a pro-rata refund will be made in the event of early cancellation of that agreement by either the Firm or the Investor. In no event will fees be payable six (6) months or more in advance. Investors in separate accounts are generally permitted to terminate contracts with PBI LLC upon written notice within a reasonable time (normally at least thirty (30) days) prior to the effective date of such termination.

#### **Private Fund Clients Only**

##### ***Organizational Expenses***

Depending on the provisions of the Private Fund Client's constituent documents, each Private Fund Client will typically pay or otherwise bear all legal and other fees, costs, expenses, and other liabilities incurred in connection with the formation and organization of the Private Fund Client and related entities, or the offer and sale of interest in, such Private Fund Client, its general or similar managing fiduciary, generally including commissions, costs, and all out-of-pocket legal, accounting, filing, capital raising, printing, electronic database, travel, accommodation, meal, and other similar fees, costs, and expenses excluding placement fees, as applicable ("Organizational Expenses").

Organizational Expenses in excess of any cap provided in a Private Fund Client's constituent documents, and placement fees (as applicable) not paid by PBI LLC, typically will be paid by the Private Fund Client, but the management fee otherwise payable by the Private Fund Client will typically be reduced by the amount of the placement fees and any amount in excess of the Organizational Expenses cap provided for in its constituent documents.

Not all Private Fund Clients will have the same fees, costs, and expenses, and the constituent documents relating to each Private Fund Client, including partnership agreements and investment management agreements, provide a description of fees, costs, and expenses to be borne by such Private Fund Client incurred in connection with the formation and organization of the Private Fund Client and related entities and the offer and sale of interests in such Private Fund Client.

### *Operating Expenses*

The constituent documents relating to each Private Fund Client, including partnership agreements, and investment management agreements, provide a description of any additional fees, costs, and expenses for which such Private Fund Client is responsible in addition to the management fees and any performance-based allocations or fees (collectively, the "Operating Expenses"). As such, different Private Fund Clients will have differing obligations with respect to Operating Expenses.

Except as otherwise agreed (including in any applicable side letter) or set forth in such constituent documents and agreements, each Private Fund Client will pay all costs, expenses, and liabilities attributable to its activities that are not reimbursed by portfolio companies or other third parties, including but not limited to the following, whether, in each case as applicable, such costs, expenses and liabilities are charged for services performed by third parties or employees of PBI LLC or its affiliates (e.g., in-house legal counsel and tax compliance professionals) as determined by PBI LLC and or its affiliates and as set forth in more detail below.

*Operating Expenses Related to the General Administration of the Private Fund Client.* Each Private Fund Client generally bears all of the expenses relating to its administration including:

- (i) fees, costs, and expenses of PBI LLC or its affiliates, including, without limitation, directors' and/or managers' fees, expenses for legal, accounting, and tax advice and administration services, including expenses associated with the preparation of the Client's (and related entities' (including general partner of the Client)) financial statements and tax returns;
- (ii) placement fees and expenses (subject to reduction of the management fee in certain constituent documents of the Client);
- (iii) costs and expenses of any Fund advisory board, including travel and all other out-of-pocket costs incurred in connection with any advisory board meetings (in accordance with any applicable travel and expense policies of PBI LLC or its affiliates);
- (iv) extraordinary fees, costs, and expenses (including costs and expenses that are classified as extraordinary expenses under the International Financial Reporting Standards or the applicable generally accepted accounting principles), as determined by PBI LLC or its affiliates in their sole discretion;
- (v) fees, costs, and expenses incurred in connection with distributions to the partners of the Client (including any in-kind distributions);
- (vi) fees, costs, and expenses incurred in respect of reporting to and communicating with the partners of the Client and any meeting of the general partner of the Client and one or more limited partners, including the travel (including business class travel), events, and hospitality,

- and other out-of-pocket costs incurred by the general partner of the Client in attending such meetings (in accordance with any applicable travel and expense policies of PBI LLC or its affiliates), and the costs and expenses of complying with any limited partner side letter provision and administering and complying with “most favored nations” provisions set forth in side letters;
- (vii) fees, costs, and expenses associated with administering and operating the Client, preparing and maintaining the books and records of the Client, including internal costs that PBI LLC incurs to produce the Client’s official books and records, external costs in cases where PBI LLC hires a third-party administrator to maintain the Client’s official books and records, and any costs of PBI LLC to oversee and manage such third-party administrator and any special purpose vehicles of the Client;
  - (viii) fees, costs, and expenses incurred in connection with any amendment, waiver, or variation of the constituent documents of the Client and any other agreement related to the Client;
  - (ix) fees, costs, and expenses relating to litigation, threatened litigation or government, commission or authority inquiry, proceeding, audit or action involving the Client, and any losses related thereto;
  - (x) fees, costs, and expenses incurred in connection with computer software and technological systems, including, but not limited to, licenses, development, and hosting;
  - (xi) fees, costs, and expenses of holding any meetings of Investors of such Client (including for travel, which would include expenses for airfare, accommodations, meals, events, entertainment, and other similar fees, costs and expenses in accordance with any applicable travel and expense policies of PBI LLC or its affiliates);
  - (xii) unreimbursed fees, costs, and expenses incurred in connection with the collection of amounts due to the Client from any person (including defaults by limited partners);
  - (xiii) fees, costs, and expenses incurred in connection with administrative proceedings relating to the determination of the Client account items of income, gain, loss, deduction, and credit at the portfolio investment level, and any audit with respect to taxes;
  - (xiv) fees, costs, and expenses related to a sale, assignment, pledge, or transfer of an Investor’s interest in such Client or an Investor’s withdrawal or admission or acquisition of interests as permitted under such Client’s governing documents (but only to the extent not paid by the Investor and/or the purchaser, assignee, pledge, or transferee, as applicable);
  - (xv) fees and expenses for
    - a. appraisals, valuations, ratings, strategic advisors, or other persons who provide services to the Client and/or one or more investments; and
    - b. legal, auditing, risk management, compliance, litigation, custodial, accounting, administrative, banking, brokerage, administrative agent and collateral agent services (including, for the avoidance of doubt, sub-agent expenses), tax and other professional fees, including fees, costs and expenses associated with the Client’s custodian, the preparation of the Client’s financial statements, tax returns, and Schedules K-1, and the representation of the Client or the Client’s partners by the partnership representative of such Client;
  - (xvi) costs of winding up and liquidating the Client and related entities (including its general partner);
  - (xvii) fees, costs, and expenses incurred in connection with any restructuring or amendments to the constituent documents of the Client and related entities (including its general partner); and
  - (xviii) (xviii) all other non-recurring or extraordinary costs or expenses attributable to the activities of the Client.

**Internal PineBridge Expenses.** For each Client, the applicable general partner or managing member, the manager and their respective affiliates will be entitled to reimbursement from the Client for any expenses paid and/or incurred by them on behalf of such Client, including allocated portions of Internal PineBridge Expenses (defined below) incurred in connection with services performed by personnel or employees of the Client including, without limitation, internal legal staff, operations and paralegals (“Internal Staff”) in accordance with the Private Fund Client’s constituent documents.



Any amounts reimbursed by the Client for Internal PineBridge Expenses will not offset the management fee for such Client. Works performed by Internal Staff that will be reimbursable as Internal PineBridge Expenses can be generally (but not exclusively) categorized as work relating to:

- (i) the structuring, marketing, formation, and organization of the Client;
- (ii) strategy, operations, and obligations of the Client; and
- (iii) the acquisition, monitoring, protection, maintenance, and disposition of the Client's assets.

The Client will bear the portion of Internal PineBridge Expenses that is allocable to Client activities (e.g., costs and expenses related to those matters in clauses (i), (ii) and (iii) of the prior sentence). Work that the Client determines was performed by Internal Staff on matters relating to clause (i) will be considered organizational expenses as discussed in the Client's constituent documents.

The following is a representative (but not exhaustive) list of the activities included in the general categories described in clauses (i), (ii), and (iii) above:

- (i) the formation of the partnership and its investment structures;
- (ii) closings and offerings of interests in the Private Fund Client;
- (iii) general advice concerning the Client, the Client's constituent documents and side letters, and the rights, obligations, and liabilities of the general partner or managing member of the Client, the limited partners, or members of the Client, the manager of the Client, and the Client under such documents;
- (iv) amendments and waivers relating to the Private Fund Client's constituent documents;
- (v) meetings and consents of the limited partners or members and/or the advisory board and other communications with the limited partners or members;
- (vi) the application of laws, rules, and regulations to the Client, its investments, the general partner or managing member, and the limited partners or members of the Private Fund Client;
- (vii) tax-planning relating to the Client, the general partner or managing member, the limited partners or members of the Client, and the Client's investments;
- (viii) indemnification and other legal, contractual, fiduciary, or regulatory obligations of the Client;
- (ix) transactional or litigation work and advice related to the discovery, sourcing, allocation, structuring, taxation, investment, monitoring, protecting, holding, or disposition of investments or potential investment opportunities of the Client (including managing all legal aspects associated therewith);
- (x) transfers (direct and indirect) of interests in the Client;
- (xi) the winding-up or liquidation of the Client; or
- (xii) other fund administration services.

Amounts determined by the general partner or managing member of the Client to be reimbursable to such general partner or managing member, the manager and/or their affiliates in connection with services performed by Internal Staff (including an allocable portion of salaries, bonuses, other compensation, and/or benefits (as applicable) of Internal Staff member) will be considered "Internal PineBridge Expenses".

All determinations with respect to allocations of work and related reimbursements, the methodologies for such allocations, and the Internal PineBridge Expenses related to such work will be made by the general partner or managing member and its affiliates in their sole discretion. Such methodologies can include, but are not limited to:

- (i) requiring personnel to periodically record or allocate their historical time with respect to the Client;
- (ii) the general partner or managing member, or its affiliates approximating the proportion of certain individuals' time spent on particular funds;
- (iii) the assessment of an overall dollar amount (based on a fixed fee or percentage of assets under management) that the general partner or managing member believes represents a fair recoupment of expenses and a market rate for such services; or
- (iv) any other similar methodology determined by the general partner or managing member to be appropriate under the circumstances (i.e., rates that fall within a range that the general

partner or managing member has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms).

The general partner or managing member will seek to allocate work done by Internal Staff and related reimbursements appropriately; but such allocation often includes the exercise of judgment and there is no assurance that such allocation will be exact or that reasonable minds could not have come to a different allocation decision. While the methodology discussed above is intended to allocate work done by Internal Staff and related reimbursements fairly, any methodology (including the choice and execution thereof) involves inherent conflicts and could even result in the incurrence of greater expenses by the Client than would be the case if such services were provided by third parties.

The manager, the general partner or managing member, and/or their respective Internal Staff will allocate work, in their sole discretion, based on their assessments of current workloads and priorities (without regard for prior practice) to external service providers, Internal Staff, or some combination thereof. From time to time, work that was performed by Internal Staff could be performed by external service providers and vice versa and work performed by Internal Staff for one Client could be performed by external service providers for another Client. Neither a Client nor any of its limited partners or members should have any expectation that work performed by Internal Staff will be borne by the general partner or Managing Member, or the manager regardless of whether or not Internal PineBridge Expenses for such work were previously reimbursed by such Client or any other Client. Work performed by Internal Staff includes any and all work that the general partner or Managing Member determines, in its sole discretion, could otherwise have been performed by external service providers had it not been performed by Internal Staff and will include work performed in conjunction with external service providers and in connection with supervising and reviewing the work of external service providers.

*Hedge Fund Program – Fund Expenses.* Each hedge fund Client generally bears all of the expenses relating to its administration including:

- (i) costs and expenses associated with all sub-adviser relationships considered, evaluated, or consummated by the Fund, including, without limitation, all fees and expenses associated with sourcing, negotiating, establishing, investigating, researching, financing, structuring, acquiring, and performing due diligence of all sub-advisers, whether or not such relationships are ultimately consummated (including third-party research, data, analytics, modeling, structuring, pricing, execution, and other third-party information systems, software, and service fees (including data feeds, subscriptions, reports and similar items)), in each case related to the master fund's investment activities;
- (ii) costs and expenses associated with holding, financing, monitoring, hedging, managing, maintaining, and disposing of all sub-adviser relationships and Fund investments, and all transaction and other costs associated therewith, including all maintenance, administrative, custodial, or similar expenses with respect to any sub-adviser;
- (iii) all fees charged by the sub-advisers, which are expected to include performance-based fees or asset-based fees, as well as any expenses "passed-through" by the sub-advisers;
- (iv) investment expenses and all other expenses related to the purchase, sale, transmittal, or custody of trading assets and related items (including, without limitation, all brokerage, commissions, clearing and settlement fees, borrowing costs on securities sold short, valuation and portfolio pricing, bank fees, interest charges, and financing charges);
- (v) externally incurred costs of establishing computer and systems connections with the sub-advisers, brokers, and other counterparties;
- (vi) investment research expenses (including, without limitation, the costs of research-related publications and periodicals);
- (vii) costs of trading, research, or data screens, as well as risk management and data services and systems (including, without limitation, the costs of utilizing or supporting risk-reporting technology required by consultants retained by or on behalf of institutional investors);
- (viii) costs of installation, implementation, and maintenance of order management and execution management systems and software, including internally developed systems or software;
- (ix) any taxes and duties imposed on the Fund or its investments as a whole, without reference to

- any particular limited partner, by any jurisdiction in connection with the Fund's trading and operations, as determined by the general partner;
- (x) all costs resulting from any entities used in the course of the Fund's trading and investing, including the Fund's non-sub-adviser investments;
  - (xi) costs and fees attributable to any third-party proxy voting, class-action, or antitrust service or consultant;
  - (xii) due diligence expenses related to maintaining service provider relationships with the Fund (including any travel-related due diligence costs);
  - (xiii) costs and expenses associated with obtaining and maintaining U.S. and non-U.S. regulatory and self-regulatory licenses and exchange memberships and making related filings (e.g., Schedules 13D and 13G, and Forms 13D and 13H);
  - (xiv) tax preparation fees and expenses and expenses incurred by the Fund's "partnership representatives" in their capacity as such;
  - (xv) fees and expenses of any service providers performing services related to the business of the Fund, including, but not limited to, all legal, accounting, auditing, administrative, research, and other professional service providers, including consultants and the Fund's anti-money laundering officers;
  - (xvi) insurance costs and premiums (including, without limitation, Errors & Omissions, Directors & Officers, and general liability insurance relating to activities of the Fund, including for the principals, members, directors, officers, and employees of PineBridge Partners, the Strategic Committee, and the Investment / Risk Committee);
  - (xvii) administrative costs (including, without limitation, the fees and out-of-pocket expenses of the administrator and its agents, as well as any other third-party administrator which the general partner may select for the Fund);
  - (xviii) costs and expenses of establishing computer and systems connectivity with the administrator and other third-party service providers, paying agency, transfer agency, accounting verification (if any), or investor registrar services, and the costs of middle-office and back-office support as provided by the administrator;
  - (xix) costs and expenses relating to the general partner's and the investment manager's (and their affiliates') U.S. and non-U.S. registration, regulatory and self-regulatory filings (including, without limitation, Forms PF and ADV, Form CPO-PQR, and other filings and reports the preparation and submission of which currently or in the future may be required under law), reporting, registrations, memberships, taxes, licensing, compliance, including, without limitation, costs of compliance programs, third-party compliance consultants, actual and "mock" examinations, regulatory and governmental inquiries, subpoenas, and proceedings;
  - (xx) the Fund's pro rata share of insurance costs and premiums (including, without limitation, Errors & Omissions, Directors & Officers, and general liability insurance, including for the principals, members, directors, officers, and employees of PineBridge Partners, the Strategic Committee, and the Investment / Risk Committee);
  - (xxi) costs associated with the initial and ongoing offering of interests of the Fund, including negotiation and preparation of side letters;
  - (xxii) bonding costs required by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), if applicable; and any extraordinary expenses, including indemnification expenses, and other similar expenses.

***Hedge Fund Pass-Through Expenses.*** The Multi-Strategy Hedge Fund program also bears certain pass-through expenses of the platform including:

- (i) all compensation paid by the investment manager or PBI LLC to investment personnel, including, without limitation, salaries and draws, guarantees, "signing bonuses," recruiting costs (including fees paid to third-party recruiters), buy-out payments, employee-related legal costs, consultant costs, deferred compensation, bonuses and benefits (e.g., medical benefits, dental benefits, retirement benefits including 401(k) plan matching costs), severance arrangements, relocation arrangements, and non-competition covenant costs;
- (ii) research-related travel, entertainment, and due diligence expenses related to sub-adviser selection or otherwise related to the Fund's investment activities, and fees and expenses of any service providers performing investment-related services related to the business of the

- (iii) general partner or the investment manager (excluding affiliates and related parties); the reasonable out of pocket expenses of the Strategic Committee and Investment / Risk Committee;
- (iv) research-related costs and expenses (to the extent not borne as Fund expenses), including expenses related to Bloomberg and other similar subscription-based services, independent research reports or publications, software, quotation, and related financial data services; and
- (v) expenses related to various risk software and systems used by the sub-advisers and the investment manager (including the costs and expenses of developing, implementing, and using risk software internally developed by the investment manager);
- (vi) technology-related costs and expenses (to the extent not borne as Fund expenses), including the investment manager's and the sub-advisers' costs related to information systems, software, and technology expenses, including expenses related to risk software provided by third parties or developed internally by the investment manager, trading systems, order management systems, and portfolio management systems, risk management systems, execution systems, middle and back office software systems, investor reporting systems, and investor reporting costs, data warehouse expenses, cyber security costs, storage costs, software development, technology build out, connectivity, and business continuity program/disaster recovery; and
- (vii) to the extent not borne as Fund expenses, the costs and fees attributable to all legal, accounting, auditing, and other professional services, including consulting services, relating to investment activities.

*Operating Expenses Related to Regulatory and Tax Compliance.* Each Private Fund Client generally bears or reimburses PBI LLC for certain expenses related to the Client's regulatory and tax compliance, including:

- (i) taxes and other governmental charges, fees, and duties payable by the Client and registration and registered office fees and expenses of the Client, PBI LLC, and related entities;
- (ii) fees, costs, and expenses (including legal fees, costs and expenses) incurred to comply with any applicable law, rule, or regulation (including regulatory filing or other expenses of such Client, its general partner, or similar person and/or investment manager, including, but not limited to, regulatory registrations, notices, and/or filings to comply with the Alternative Investment Fund Manager Directive ("AIFMD") as implemented in any relevant European Union ("EU") member state jurisdiction and including any secondary legislation, regulations, rules, and/or associated guidance and any related requirements (including any equivalent law, rule, or regulation which could come into effect as a result of the United Kingdom (the "UK") ceasing to be part of the EU));
- (iii) fees, costs, and expenses incurred in complying with "know your customer" laws, Sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly referred to as "FATCA"), or similar laws; and
- (iv) except as otherwise provided in the constituent documents of the Client, taxes and other governmental charges, fees, and duties payable by the Client.

*Operating Expenses Related to Portfolio Investments.* Each Private Fund Client generally bears or reimburses PBI LLC for certain expenses related to portfolio investments, including:

- (i) the fees, costs, and expenses relating to portfolio investments and potential portfolio investments (irrespective of whether any such potential portfolio investment is ultimately consummated), including the sourcing, development, investigation, evaluation, negotiation, acquisition, holding, protecting, monitoring, valuing, and disposition thereof, as well as travel (including business class travel) and hospitality expenses and other out-of-pocket costs incurred by PBI LLC or its affiliates in sourcing, developing, investigating, evaluating, negotiating, monitoring, acquiring, holding, protecting, valuing, or disposing of portfolio investments or investment opportunities meetings (in accordance with any applicable travel and expense policies of PBI LLC or its affiliates);
- (ii) the costs of attending any industry conferences in connection with sourcing and/or evaluating

- potential investments (irrespective of whether any such potential investment is ultimately consummated);
- (iii) all principal, interest, fees, expenses, and other amounts payable in respect of or in connection with borrowings, financings, or derivative transactions;
- (iv) fees, costs, and expenses related to organizing entities through or in which portfolio investments are made, if applicable;
- (v) market data, research-related and software fees, costs, and expenses;
- (vi) fees, costs, and expenses incurred in obtaining research and other information for the benefit of such Client, including information service subscriptions as well as expenses incurred to operate and maintain market information systems and information technology systems used to obtain such research and other information (such as phone and internet charges);
- (vii) fees, costs, and expenses incurred in developing, implementing, or maintaining computer software and technological systems for the benefit of such Client, its Investors, or its portfolio companies (including potential portfolio companies); and
- (viii) “broken deal” and similar fees, costs, and expenses.

*Operating Expenses Related to Indemnification Obligations.* Each Private Fund Client generally bears or reimburses PBI LLC for certain expenses related to indemnification obligations, including:

- i) premiums for insurance protecting the Client and any indemnified parties (as applicable and defined in the Client’s constituent documents and, including without limitation PBI LLC, its affiliates, and members of the applicable investment teams) from liabilities in connection with the Client’s investment and other activities, including an allocable share of any insurance policies obtained by PBI LLC or any affiliate thereof in respect of the Client and one or more other PBI LLC investment funds or other persons; and
- ii) indemnification obligations (including any fees, costs, and expenses incurred in connection with indemnifying individuals and other parties required or permitted to be indemnified under the constituent documents of the Client and advancing fees, costs, and expenses incurred by any such indemnified parties in defense or settlement of any claim that could be subject to indemnification under the applicable constituent documents).

#### *Consultant Fees and Expenses*

Consultants are not employees of PBI LLC and could participate in a portion of the incentive allocation distributions of the Private Fund Client. Consultants could provide operational advice or services to those Clients in respect of prospective or actual portfolio company investments and also can provide similar services to the portfolio companies in which the Client invests. Their compensation is not subject to offsets (i.e., consultant payments are made by the Client or the relevant portfolio companies, and are not offset against the applicable management fee). Also, PineBridge consultants have historically and maintain the ability to, in connection with their services to the portfolio companies, receive incentive compensation from the portfolio companies similar to that provided to the portfolio company’s senior management, unaffiliated board directors or, if there are no unaffiliated board directors, incentive compensation customarily provided by similar companies to unaffiliated board directors.

#### *Allocation of Expenses*

PBI LLC and its affiliates could, from time to time, incur fees, costs, and expenses on their own behalf and/or on behalf of more than one Client (“Allocable Expenses”). Determinations of what fees, costs, or expenses are Allocable Expenses, and their ultimate allocation, will often not be certain. PBI LLC seeks to identify and allocate Allocable Expenses among the relevant parties in a manner that is fair and reasonable, in accordance with applicable policies, procedures, and governing documents as in place at the time of allocation, and using its good faith judgment, in cases where these matters are uncertain.

Although PBI LLC has the sole discretion to identify and allocate Allocable Expenses, as a general matter:

- (i) if an Allocable Expense relates to a specific, consummated investment, each relevant party will typically be allocated a portion of the total amount pro rata based on the size of its

- investment to which the Allocable Expense relates; and
- (ii) if an Allocable Expense does not relate to a specific investment, each relevant party will typically be allocated a portion of any such amounts based on such criteria as PBI LLC determines, in its sole discretion, to be fair and reasonable which could include, by way of example, be based on:
  - a. number of parties to which the Allocable Expense relates;
  - b. relative assets; or
  - c. PBI LLC's determination of the relative uses of the item to which the Allocable Expense relates.

The initial allocation of expenses is determined without regard to whether a relevant party is permitted by its governing documents to bear the expense. PBI LLC or its affiliates will bear any portions of an Allocable Expense that would be allocated to Clients that are not permitted by their governing documents to bear the expense rather than increasing the amount of the Allocable Expense that is borne by other Clients. Because PBI LLC or its affiliates can be a party to whom an Allocable Expense is appropriately allocated directly, and because PBI LLC or its affiliates will bear any portion of an Allocable Expense initially allocated to a Client whose governing documents prohibit bearing the expense, PBI LLC has a conflict of interest when exercising judgment as to Allocable Expenses. In particular, conflicts of interest can arise where:

- (i) different Client governing documents could have different provisions regarding the expenses that can be borne by the Client;
- (ii) PBI LLC or its related persons have different pecuniary interests in Clients to which an expense might be allocated; or
- (iii) a portion of the expense might appropriately be allocated to PBI LLC itself or to a related person.

In these instances noted above, PBI LLC will, from time to time, implement policies and procedures reasonably designed to address the allocation of expenses in order to seek to mitigate these conflicts, which can vary, treat different types of expenses differently, and are unlikely to be able to cover every expense that could arise in connection with the Funds. As a result, PBI LLC expects that good faith judgment will frequently be applied in allocating expenses.

#### *Service Provider Discounts*

PBI LLC and/or its affiliates can, from time to time, enter into arrangements with service providers that provide for fee discounts for services rendered to PBI LLC and its affiliates. For example, certain law firms retained by PBI LLC or one or more of its affiliates have in the past offered fee discounts for non-investment transaction legal services, such as legal advice in connection with PBI LLC operational, compliance, and related matters. While PBI LLC or its affiliates will seek to provide the benefit of discounts that relate specifically to services provided to a Client, there can be no assurance that any such discounts will be offered, and PBI LLC has no obligation to require any such discounts to be offered, to any Client. Moreover, these other services and relationships could influence PBI LLC decisions to select or recommend a service provider to perform services for Clients. In certain circumstances, service providers, or their affiliates charge different rates or have different arrangements for services provided to us or our affiliates as compared to services provided to the clients, which could result in more favorable rates or arrangements to PineBridge or its affiliates than those payable by the Clients.



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

PBI LLC accepts performance-based fees, including fees based on a share of capital gains on or capital appreciation of the assets of an Investor and, in the case of CLO Investors and certain Private Fund Clients, fees based on performance hurdles relating to an internal rate of return. PBI LLC manages Investors that are charged a performance-based fee, and Investors that are charged an asset-based fee.

The Firm recognizes that having different pecuniary interests in, including charging different types of fees to, different Investors can create conflicts of interest, including with respect to allocations of investment opportunities and transactions among its Investors. For example, with the side-by-side management of Investors who are charged performance-based fees as compared with those Investors that are not, there is a possibility for transactions to be allocated in favor of those Investors that are charged a performance-based fee. Similarly, different rates and manners of calculation for carried interest or performance-based fee allocations could create an incentive for the Firm to allocate more profitable investment opportunities to Investors from whom an increased fee could result from a successful portfolio investments. Carried interest or performance-based fee allocations also create an incentive for a manager to make more speculative investments on behalf of Investors than it might otherwise make in the absence of such performance-based compensation. Similarly, an incentive exists to make decisions regarding the timing and structure of realizing transactions that might not be in the best interest of the Investor.

To mitigate conflicts related to performance fees and pecuniary interests, PineBridge Investment's policies and procedures provide that investment decisions must be made in accordance with the fiduciary duties owed to each Investor without consideration of the Firm's economic, investment, or other financial interests. To meet its fiduciary obligations, the Firm seeks to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain Investors over time. Accordingly, PBI LLC has established and adopted a policy for seeking fair and equitable allocation of investment opportunities / transactions among its Investors to avoid favoring one Investor over another over time. It is the Firm's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its Investors on a fair and equitable basis over time.

The Firm has monitoring procedures in place to address the aforementioned conflicts of interest. PBI LLC has adopted the Trade Allocation and Aggregation Policy and the Alternatives Co-Investment Policy (collectively referred herein as the "Allocation Policies"), which is monitored by the Firm's Compliance Department. Any discrepancies noted by Compliance are discussed with the applicable portfolio managers and adjustments are made if necessary.

*Carried Interest Clawback.* The constituent documents of certain Private Fund Clients contain Clawback provisions as more specifically described in the Fee Schedule section above.

### **Investment Opportunity Allocation**

The Firm provides investment management services to multiple Investors who can have substantial overlap in investment strategies and compete for potentially limited investment opportunities. The Firm offers investment opportunities to each Investor in accordance with the applicable provisions of each Investor's constituent documents. When PBI LLC is presented with investment opportunities that fall within the investment objectives of multiple Investors, PBI LLC seeks to allocate such opportunities (including any related co-investment opportunities for Private Fund Clients, see section below 'Co-Investments') among eligible Investors in accordance with the Firm's Allocation Policies as in effect and seeks to ensure that each Investor is treated in a manner that, over time, is fair and equitable.

PBI LLC's Allocation Policies provides that investment opportunities will be allocated taking into account, but limited to:

- (i) suitability considerations, including investment objectives and strategies;
- (ii) available capital;
- (iii) each Investor's specific portfolio restrictions;

- (iv) portfolio composition;
- (v) cost;
- (vi) current market conditions;
- (vii) accounting, regulatory, or other compliance related issues; and/or
- (viii) any other information determined to be relevant to the fair allocation of the investment opportunity among Investors, including but not limited to the sourcing of transactions, the amount of potential follow-on investing that is expected to be required for such investment and the other portfolio investments of such Investors, reasons of portfolio balance, and the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for such Investor.

No assurance can be given that the aforementioned criteria will be changed.

PBI LLC has a duty to construct what in its business judgment as a fiduciary constitutes an appropriate investment portfolio for each Investor. As such, PBI LLC can give consideration to factors in addition to those outlined above. As a result of an Investor's investment objectives, the Allocation Policies, and its discretion (as applicable) to construct a portfolio for each Investor in the Investor's best interest, there will be certain circumstances where investment opportunities that are suitable for an Investor will not be presented to the Investor. Moreover, certain Investors can receive priority with respect to certain investment opportunities in accordance with their applicable governing documents. There can be no assurance, however, that the application of the Allocation Policies described above will result in the allocation of a specific investment opportunity to an Investor, that an Investor will participate in all investment opportunities falling within its investment objective, or that any particular investment opportunity will not be disproportionately allocated to one Investor versus another Investor.

#### **Private Investment Funds Only**

**Co-Investments.** PBI LLC or its affiliates are authorized to, in their sole discretion, provide co-investment opportunities to one or more current or future Strategic and Relationship Co-Investors (as defined below), as well as certain limited partners or other Investors of any Private Fund Client, Private Fund Clients, Firm sponsored Funds or Investors thereof, PBI LLC or its affiliates and direct or indirect owners, officers and employees thereof, or other third parties.

Strategic and Relationship Co-Investors will be determined by PBI in its sole discretion, and could include current or future limited partners or other Investors of any Private Fund Client, Firm sponsored Funds or Investors, PBI and direct / indirect owners, officers and employees thereof, and/or third parties, and are expected to provide strategic benefits in connection with sourcing or consummating the investment opportunity and/or future investment opportunities, or following consummation of the investment, such as operational or similar strategic benefits, committed financing or lending support, certainty or expediency of closing, support in diligence or industry expertise, provision of directors, benefits to the investment in terms of regulatory or tax profile, or otherwise (each, a "Strategic and Relationship Co-Investor").

Co-investment opportunities will be offered on a case-by-case basis, to the extent available and appropriate, but PBI LLC and its affiliates will be under no obligation to offer any such opportunity to any limited partner or other Investor of a Private Fund Client, or other potential Strategic and Relationship Co-Investor. PBI LLC has provided certain senior management and investment team members with opportunities to co-invest alongside Private Fund Clients and separate accounts managed by PBI LLC or its affiliates and could offer similar co-investment opportunities in the future.

Co-investments can be offered by PBI LLC or its affiliates in their discretion to the extent that:

- (i) the size of an investment opportunity exceeds the aggregate desired allocation to the Investor(s) for which the opportunity would be appropriate; and/or
- (ii) there is adequate interest from prospective Investors, including Strategic and Relationship Co-Investors.

Co-investments can be structured through investment vehicles or similar arrangements organized to



facilitate such investments for legal, tax, regulatory, or other purposes (each, a “Co-Investment Vehicle”).

A Co-Investment Vehicle could include an entity that invests side-by-side with a Private Fund Client or into which a Private Fund Client invests together with other co-investors, each of which entities and/or co-investors could be managed by, or otherwise affiliated with, PBI LLC or its affiliates.

PBI LLC or its affiliates are authorized to structure and consummate co-investments in such manner as PBI LLC or its affiliates shall determine in their sole discretion, which could involve transactions between a Private Fund Client and one or more co-investors or Co-Investment Vehicles, including but not limited to

- (i) a simultaneous side-by-side investment;
- (ii) the assignment of contractual rights to participate in a transaction;
- (iii) the post-closing transfer of interests or assets;
- (iv) the pre- or post-closing issuance or transfer of interest in a Co-Investment Vehicle;
- (v) guarantees, indemnities, or back-to-back obligations; or
- (vi) such other structures, transactions, or accommodations as PBI LLC or its affiliates, in their sole discretion, deems necessary or desirable for a Private Fund Client and its co-investors to complete the transaction.

Potential Investors should be aware that the interest of a Private Fund Client and the Investors of such Private Fund Client can conflict with the interests of the co-investors or other investors of such Co-Investment Vehicles. PBI LLC or its affiliates is authorized to require a Private Fund Client, any co-investor, any Co-Investment Vehicle, and/or other third party to compensate any other party for warehousing investments, timing differences in respect of capital invested, and/or the provision of any guarantees, indemnities, or other financial accommodations. Such compensation, if any, shall be in such amounts as PBI LLC or its affiliates deem reasonable, in their sole discretion, under the circumstances.

The participation by a Private Fund Client in a Co-Investment Vehicle with one or more co-investors could cause such Private Fund Client to bear more or less expenses than if such Private Fund Client were to not participate in such Co-Investment Vehicle (examples of such expenses include audit costs of the Co-Investment Vehicle, legal, auditing, tax, administrative, and other professional fees associated with forming, offering, syndicating, administering, and winding up the Co-Investment Vehicle). Syndication of an investment to co-investors could occur before or after the closing of the applicable transaction. There can be no assurance that PBI LLC or its affiliates will successfully syndicate any co-investment opportunity, and in such instances, a Private Fund Client could bear more than its desired amount of such investment and, as a result, a greater amount of the fees, costs, and expenses associated therewith.

PBI LLC will allocate co-investment opportunities among co-investors in a manner it so determines, taking into account those factors that it deems relevant under the circumstances, including, but not limited to:

- (i) the potential strategic value of a co-investor to such co-investment, including the ability to help consummate, operate or monitor, and/or other considerations that PBI believes would provide value in connection with the co-investment;
  - a. the ability of a co-investor to analyze or consummate a potential co-investment on an expedited basis;
  - b. available financial, operational, or other resources of a co-investor;
  - c. whether a co-investor has expressed an interest in participating in a co-investment (including, for example, by election in such investor’s side letter);
- (ii) whether PBI believes the co-investor will make a good partner in connection with the co-investment;
- (iii) whether a co-investor is willing to pay carried interest, management fees, placement / syndication fees, other co-investment related compensation, and/or to indirectly be impacted by monitoring fees, syndication fees or other fees charged to underlying portfolio companies by the Firm or related persons that are not shared with the co-investor;
- (iv) frequency by which a co-investor had previously declined to participate in a co-investment(s);
- (v) whether a co-investor would require governance rights (versus assuming a more passive role) that would complicate or jeopardize the co-investment;
- (vi) the character or nature of the co-investment (e.g., its size, structure, geographic location,

- relevant industry, tax characteristics, any contemplated minimum commitment threshold, etc.);
- (vii) tax profile of a co-investor, tax treatment of the co-investment, and attendant structuring considerations;
- (viii) whether a co-investor's participation would subject such co-investment to additional regulatory requirements or scrutiny;
- (ix) any existing investment position in such co-investment by a co-investor, or any direct or indirect interest held in any competitors;
- (x) confidentiality or conflict concerns that may arise in connection with the provision of information relating to the co-investment to a co-investor;
- (xi) whether a co-investor has known investment policy restrictions, guideline limitations, or other regulatory or public relations concerns relevant to the co-investment;
- (xii) whether the expected holding period and risk-return profile of the co-investment is consistent with the known objectives of a co-investor;
- (xiii) whether the Firm has any contractual requirement to offer a certain co-investment to a co-investor;
- (xiv) the timing and size of a co-investor's commitment in a Client and/or other investments in entities managed by PineBridge, and
- (xv) any other factor determined by the Firm to be relevant to the relationship of a co-investment to a co-investor.

The factors above are not exhaustive or listed in order of importance or priority, nor are they weighted in importance. The Firm is not required to consider all of these factors or any one of them described above, and some may be more or less important depending on the nature of a particular co-investment and attendant circumstances. Notwithstanding the foregoing, PBI LLC could in the future revise or update its existing policies and procedures regarding the allocation of co-investment opportunities. Such policies and procedures could differ from PBI LLC's current practice.

Neither PBI LLC nor its affiliates will be under any obligation to offer or provide co-investment opportunities to any particular Investor and could offer a co-investment opportunity to one or more of the categories of co-investors described above without offering such opportunity to the other categories of co-investors (or could offer co-investment opportunities to some but not all Investors in the same category). In any event, no category of co-investors described above should have any expectation of receiving a co-investment opportunity, nor will any such co-investors described above be owed any duty or obligation in connection with co-investment opportunities.

*Terms of Co-Investment Opportunities.* Certain Investors co-investing with a Private Fund Client can invest on different and/or more favorable terms than such Private Fund Client and could have interests or requirements that conflict with, and adversely impact such Private Fund Client. PBI LLC will generally seek to cause such Private Fund Client and other PBI LLC related Investors to participate in any co-investment and any related transaction on comparable economic terms vis-a-vis the underlying opportunity to the extent PBI LLC deems appropriate, subject to legal, tax, regulatory, and other similar considerations.

Such comparable participation is not necessarily appropriate in all circumstances and the Private Fund Client could participate in such investment on different and potentially less favorable economic and/or non-economic terms than such parties (or that the Private Fund Client would participate on if such parties were not co-investors) if PBI LLC deems such participation as being otherwise in the Private Fund Client's best interests. PBI LLC or its affiliates could in their discretion:

- (i) charge carried interest, incentive allocation, management fees, or other similar fees to co-investors;
- (ii) make an investment, or otherwise participate, in any vehicle formed to structure a co-investment to facilitate, among other things, receipt of such carried interest, incentive allocation, management fees, or other similar fees;
- (iii) recover expenses incurred in connection with actual or contemplated portfolio investments that are the subject of such co-investment arrangements; and

- (iv) allocate and/or share the transaction fees, commitment fees, break-up fees, advisory fees, banking fees, directors' fees, monitoring fees, or other similar fees ("Investment-Related Fees") earned in respect of a co-investment with certain co-investors co-investing with a Private Fund Client.

While generally any Investment-Related Fees attributable to investments of a Private Fund Client will offset each Investor in such Private Fund Client's share of subsequent management fees, the amount of such fees allocable to co-investors will not result in an offset of the management fee payable by Investors with respect to such Private Fund Client. Additionally, to the extent co-investors do not agree to or do not otherwise bear fees, costs, and expenses related to co-investments, PBI LLC expects such fees, costs, and expenses will be borne by the relevant Private Fund Client (in accordance with the constituent documents of such Private Fund Client) or, if consistent with their governing documents, by the other relevant Private Fund Clients on whose behalf PBI LLC or its affiliates evaluated and pursued such investment. Senior management consultants and investment team members will not bear fees, costs, and expenses related to unconsummated co-investments.

The terms of any co-investment will be determined by PBI LLC or its affiliates on a case-by-case basis in their sole discretion, and any opportunity could be presented on an 'as-is' basis, and therefore might not be suitable for certain co-investors due to legal, tax, regulatory, or similar considerations. In addition, PBI LLC or its affiliates could be incentivized to allocate or prioritize allocations of co-investments to co-investors that have more favorable terms for PBI LLC or its affiliates.

## **Item 7 - Types of Investors**

### **Description**

PBI LLC provides discretionary and non-discretionary investment advice to, among others, banks or thrift institutions, registered investment companies, insurance companies, pension and profit-sharing plans, trusts, estates, charitable organizations, Private Investment Funds, other corporations and business entities, and high net worth individuals.

For PBI LLC's private fund Clients, it is expected that interests in such private funds will be offered and sold in private placement transactions only to Investors that are "accredited investors," (as such term is defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the "Securities Act")), and "qualified purchasers" or "knowledgeable employees", each as defined in the Investment Company Act of 1940 (the "1940 Act") (or, in certain offshore funds, persons and entities that are not "U.S. persons," as defined in Rule 902 of Regulation S under the Securities Act).

For PBI LLC's CLO Investors, it is expected that each CLO's securities will be offered and sold in private placement transactions only to Investors that are either non-U.S. Persons in offshore transactions in reliance on Regulation S, or both "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) and "qualified purchasers" (as defined in Section 2(a)(51) of the 1940 Act); provided that certain CLO securities are permitted to be issued to persons or entities that are both "accredited investors" as defined in Section 501(a) of Regulation D under the Securities Act and either qualified purchasers or "knowledgeable employees" within the meaning of Rule 3c-5 under the 1940 Act.

### **Account Minimums**

The minimum account size for most separate accounts or funds-of-one is generally \$25 million, with a \$1 million minimum maintenance value; in certain circumstances, these amounts can be negotiated. In addition, the Firm provides other structures where Investors can participate in investment products through commingled vehicles which have lower investment minimums, or funds-of-one structure that would require a higher minimum.

In most cases, CLO securities issued by our CLO Investors are expected to be issued in minimum denominations of \$250,000, but these minimums can be waived in certain circumstances.

Additional details concerning applicable Investor criteria will be provided in each Investor's offering documents, private placement memorandum, or prospectus, as applicable.

Please refer to the Fees and Compensation section within this Brochure for fee schedules.

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

Item 8 describes certain material risks that are generally applicable to our Investors, their investment strategies, and the methods of analysis employed by the Firm in managing Investors. Investors and prospective Investors in a Private Fund Client should consider the disclosures in the relevant governing documents for a more complete discussion of the investment strategies of, and the risks and conflicts of interest associated with an investment in that product.

### **Uncertainty Risks**

Social, political, economic, and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, military conflicts, and social unrest) will occur that create uncertainty, and have significant impacts on issuers, industries, governments, and other systems, including the financial markets, to which Funds and their investments are exposed. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region, or financial market will, more frequently, adversely impact issuers in other countries, regions, or markets, including in established markets such as the United States. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat.

Uncertainty can result in or coincide with, among other things:

- (i) increased volatility in the financial markets for securities, derivatives, loans, credit, and currency;
- (ii) a decrease in the reliability of market prices and difficulty in valuing assets (including the assets in which the funds invest);
- (iii) greater fluctuations in spreads on debt investments and currency exchange rates;
- (iv) increased risk of default (by both government and private obligors and issuers);
- (v) further social, economic, and political instability;
- (vi) nationalization of private enterprise;
- (vii) greater governmental involvement in the economy or in social factors that impact the economy;
- (viii) changes to governmental regulation and supervision of the loan, securities, derivatives, and currency markets and market participants and decreased or revised monitoring of such markets by governments or self-regulatory organizations and reduced enforcement of regulations;
- (ix) limitations on the activities of Investors and Clients in such markets;
- (x) controls or restrictions on foreign investment, capital controls, and limitations on repatriation of invested capital;
- (xi) the significant loss of liquidity and the inability to purchase, sell, and otherwise fund investments or settle transactions (including, but not limited to, a market freeze);
- (xii) unavailability of currency hedging techniques;
- (xiii) substantial, and in some periods extremely high, rates of inflation, which can last many years and have substantial negative effects on credit and securities markets as well as the economy as a whole;
- (xiv) recessions; and
- (xv) difficulties in obtaining and/or enforcing legal judgments.

### **Pandemics, Epidemics, and SARS-COV 2**

In light of the novel coronavirus (SARS-CoV 2) and related respiratory disease (COVID 19) pandemic which, as of the date of this Brochure, continues to evolve, Clients and Investors should be aware that certain risks, including political, continued social, and economic uncertainty, create, and exacerbate risks and could impact PBI LLC's investment strategies, processes, and methods of analysis.

This outbreak has led, and for an unknown period of time, will continue to lead to disruptions in local, regional, national, and global markets and economies effected thereby. With respect to the U.S. credit

markets, this outbreak has resulted in, and until fully resolved, is likely to continue to result in, the following among other things:

- (i) government imposition of various forms, resulting in significant disruption to the businesses of many borrowers, including supply chains, demand, and practical aspects of their operations, as well as in layoffs of employees, and, while many of these effects have shown to be temporary, some effects could be persistent, permanent, or even repeated in the future;
- (ii) increased draws by borrowers on revolving lines of credit;
- (iii) increased requests by borrowers for amendments and waivers of their credit agreements to avoid default, increased defaults by such borrowers, and/or increased difficulty in obtaining refinancing at the maturity dates of their loans;
- (iv) volatility and disruption of these markets including greater volatility in pricing and spreads and difficulty in valuing investments during periods of increased volatility, and liquidity issues; and
- (v) rapidly evolving proposals and/or actions by local, state, and federal governments to address problems being experienced by the markets and by businesses and the economy in general, which will not necessarily adequately address the problems facing the loan market and businesses broadly.

Additionally, variations of the SARS-CoV 2 virus could increase the rate at which the virus spreads and hamper vaccination efforts, leading to increased economic disruption. As of the date of this Brochure, it is impossible to determine future outbreaks, how long any such outbreak, market disruption, or uncertainty will last, the affect any governmental actions will have, or the full potential impact on PineBridge and its Clients.

Although it is impossible to predict the precise nature and consequences of these events, or of any political or policy decisions and regulatory changes occasioned by emerging events or uncertainty on applicable laws or regulations that impact PineBridge, and its Investors and their investments, it is clear that these types of events are impacting and will, for at least some time, continue to impact Investors and borrowers and in some instances, the impact will be adverse and sustained. As a result, each of the risks discussed in Item 8 of this Brochure (as well as similar discussions in applicable Fund documents) is subject to, and should be considered in light of, the foregoing risks and uncertainties.

#### Conflicts of Interest related to CLOs.

PBI LLC, one or more of its affiliates, or one or more of its Clients managed by PBI LLC or its affiliates could purchase securities issued in connection with CLOs in respect of which PBI LLC acts as collateral manager, either on the closing date of such CLO transaction or otherwise. To the extent that any such Client owns a majority or greater percentage of the subordinated securities, or another class of securities issued in connection with a CLO, they could have the ability influence certain matters that require the consent of the holders of the subordinated securities or such other classes of the respective CLOs. In general, such Client will have the right to vote with respect to any such securities held by them and could have the ability to control certain actions by the CLO issuer as a result. PBI LLC, as collateral manager, is also generally entitled to a subordinated collateral management fee and an incentive collateral management fee in connection with CLO transactions, each of which is a subordinated obligation of the applicable issuer and dependent on the performance of the portfolio. Any holdings of subordinated securities as described above, together with the existence of subordinated collateral management fees and incentive collateral management fees could cause PBI LLC, as the collateral manger, to have interests different from those of holders of the notes of other classes of the applicable CLO and could give PBI LLC an incentive to make investments that are riskier or more aggressive than would be the case in the absence of such ownership interests and fees.

#### Methods of Analysis

Generally, PBI LLC research analysts and investment personnel conduct research to formulate investment advice (for the portfolio management team) used to manage assets, as applicable. PBI LLC's security analysis generally includes charting, fundamental, technical, and cyclical methodologies. The Firm often applies quantitative strategies to its selection of securities and construction of portfolios. The

Firm's research analysts and investment personnel could use financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, and company press releases as their sources of information. PBI LLC also expects to use financial databases as a resource to make portfolio management decisions.

PBI LLC tailors advisory services in accordance with the particular Investor objective, and therefore investment strategies vary. In general, investment strategies used to implement any investment advice includes long term purchases (securities held at least one year), short term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions, and option writing, including covered options, uncovered options, spreading strategies, or other derivatives. PBI LLC can also use futures and forward foreign exchange contracts to implement its investment advice, as applicable.

Investing in securities involves risk of loss that Investors should be prepared to bear. The following sections, "Investment Strategies and Risks" and "Risk of Loss" describe certain of such risks.

## **Investment Strategies and Risks**

### **Alternatives**

PBI LLC aims to leverage its broad alternative investment capabilities across strategies, geographies, and markets to deliver an evolving and diverse range of investment opportunities. The Firm has a comprehensive and experienced private equity investment platform with a suite of primary and secondary funds-of-funds and direct investments in structured capital, private credit, and emerging markets, in addition to a multi-manager hedge fund platform. PBI LLC, or an affiliate, acts as a general partner, managing member, investment manager, or otherwise exercises investment discretion with respect to these products in which Investors are solicited to invest.

Strategies within the Firm's alternatives capabilities include funds-of-funds (focusing on primary private equity, private equity secondaries), structured capital and private credit, and multi-manager hedge funds. Interests in alternative investments are speculative, can be leveraged, and involve a significant degree of risk. Investors could lose all or a significant portion of their invested capital. There is generally no secondary market for such investments, nor is one expected to develop; additionally, there are restrictions on transferring interests. Alternative investment strategies often have performance fees and higher management fees, which can affect investment performance. With respect to certain alternative strategies, PBI LLC can directly or indirectly use exchange traded derivatives (such as commodity futures and options on futures) and over-the counter derivatives (such as credit default swaps, interest rate swaps and foreign currency transactions). The use of derivatives is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary investment transactions. Strategies that involve the use of over-the-counter derivatives present many risks that could result in loss such as counterparty credit risk, lack of liquidity and risk related to leverage and adverse market conditions. Some of the primary risks associated with exchange traded derivatives include risks related to price volatility, excessive leverage and speculative position limits and price limits.

### **Public Equity and Related Strategies**

PBI LLC's public equity strategy allows its Investors to focus globally, regionally, and/or geography-specific products. It also provides small, mid, and large cap, research enhanced, and socially responsible products. The Firm's equity strategies present many risks that could result in loss of investment value, and can include market, issuer, or strategy risks. Strategies that include international investing present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting, and the lesser degree of accurate public information available. Certain strategies could involve frequent trading of securities, which can affect investment performance through increased brokerage and other transaction costs and taxes. In addition, the Firm can employ a strategy that aims to replicate the movements of an index of a specific financial market

(which can include debt securities), or a set of rules of ownership that are held constant, regardless of market conditions. Products that utilize an index tracking strategy could suffer a risk of loss, including as a result of tracking error.

### Private Credit Strategies

The Firm's private credit strategies present many risks that could result in the loss of investment value, and can include market, credit, interest rate, leverage, liquidity, or prepayment risks. Middle market senior loans generally will be unrated, or if rated, will have ratings, or implied or imputed ratings, below investment grade. The lower rating of such loans reflects a greater possibility that adverse changes in the financial condition of the borrower or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings), or both could impair the ability of the borrower to make payment of principal and interest. Mezzanine and other junior capital securities will typically be subordinated to the senior obligations of an issuer, either contractually or structurally, in the case of debt securities, or because of the nature of the security, in the case of preferred stock, common stock or other equity securities. Such subordinated investments can be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer, general economic conditions, or both could impair the ability of such issuer to make payments on the subordinated securities and result in defaults on such securities more quickly than in the case of the senior obligations of such issuer.

### Fixed Income and Related Strategies

PBI LLC's fixed income strategy includes Leveraged Loans and High Yield Bonds, U.S. Investment Grade, Emerging Markets, and International Bonds. The Firm's fixed income strategies present many risks that could result in the loss of investment value, and are expected to entail market, issuer, credit, interest, or strategy risks. Strategies that include international investing present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting, and the lesser degree of accurate public information available.

### Multi-Asset Strategies

PBI LLC's Multi-Asset strategy is an intermediate-term, forward-looking approach that seeks to benefit from market appreciation, while managing risk during periods of stress. Being a multi-asset, multi-strategy, multi-geography manager has enabled the Firm to provide global dynamic asset allocation products and services. The Multi-Asset team at PBI LLC believes that fundamentals ultimately drive the markets, and market prices converge towards fundamentals in intermediate term. This intermediate time frame sits between a pure tactical approach and a strategic approach.

To the extent a strategy is available as a Private Investment Fund, additional applicable risks can be found in the fund's private placement memorandum.

## **Risk of Loss**

The strategies described in the section above relate to a variety of investments, each of which can fluctuate in value. The value of portfolios PBI LLC manages could fall as well as rise, and the Investor might not receive the full amount originally invested. The investment risks vary between different types of investments. For example, for investments involving exposure to a currency other than that in which the portfolio is denominated, changes in the rate of exchange could cause the value of investments, and consequently the value of the portfolio, to go up or down. In the case of a higher volatility portfolio the loss on realization or cancellation can be very high (including total loss of investment) as the value of such an investment could fall suddenly and substantially.

The following is a summary of some of the material risks associated with the strategies utilized by PBI LLC. This summary does not attempt to describe all of the risks associated with an investment in any particular Client advised by PBI LLC.



Further information related to risks relevant to alternative investment Funds advised by PBI LLC and their strategies should be reviewed in the applicable governing materials. Such materials are generally made available only to current, or eligible prospective, Investors.

### Alternatives

The risks with respect to alternatives relate to the pooled investment vehicles through which they are generally effected, as well as the risks of the underlying investments, which are expected to include, without limitation, U.S. and non-U.S. equity and equity-related securities, U.S. and non-U.S. debt instruments and other fixed income financial instruments (all of which could be publicly-traded or privately-held), exchange traded and over-the-counter derivatives, currencies, warrants, and other financial instruments. Risks related to financial instruments are described below. The investment vehicles can make direct investments in financial instruments or can invest in other pooled investment vehicles that effect transactions in financial instruments. PBI LLC provides advice with respect to its Investors that invest in private equity and hedge funds, and that invest directly in financial instruments.

### Material Risk Factors Generally Associated with Private Investment Fund and Hedge Fund Strategies

#### *Private Investment Funds, Hedge Funds, and Funds-of-Funds - General*

The risks set forth below generally apply to an investment in alternative strategies (including Private Investment Funds, hedge funds, and CLOs), whether managed by PBI LLC or third parties.

**Nature of Investments.** Investments in alternative strategy Funds are generally illiquid, long-term commitments, which are speculative and involve a high degree of risk. Regardless of current or future market conditions, certain underlying assets held by these Funds will have only a limited trading market (or none). The applicable Fund's investment in illiquid assets could restrict its ability to dispose of investments in a timely fashion and for a fair price, as well as its ability to take advantage of market opportunities.

**General Economic Conditions.** General economic conditions can significantly affect a Fund's activities and cause it to incur losses. To the extent that economic and business conditions are poor or deteriorating, non-performing assets are likely to increase, and the value and collectability of the assets of a Fund are likely to decrease. Poor or deteriorating economic conditions can affect obligors of assets of a Fund differently. Certain types of events, such as political events or global health crises, can cause or exacerbate poor or deteriorating economic conditions in a manner that is difficult to predict. Investments involve varying degrees of business and financial risk that can result in substantial losses to a specific investment or investment portfolio. In particular, risks could arise from changes in the financial condition or prospects of the businesses, industries, or countries in which investments are made for Funds. Changes in national or international economic and market conditions (which can be sudden and extreme), and changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made, including the risks and effects of war, terrorist attacks, and/or viral epidemics / pandemics can significantly impact Fund investments.

**Delegation of Control.** All decisions with respect to the investment and trading activities of a Fund will be made by its investment manager or general partner. Investors will not take any part in the management or control of a Fund. With respect to funds-of-funds, PBI LLC has no ability to predict or control investments that will be made by the underlying fund advisers and/or its controlling entities, so profitability of investments in such Funds will be dependent upon these underlying fund advisers' expertise, and though PBI LLC will attempt to monitor the performance of each underlying adviser, if an adviser does not operate in accordance with its investment strategy or any guidelines, or if the information furnished thereby is not accurate, a Fund could sustain losses with respect to its investment with the underlying adviser despite monitoring efforts. Further, the death, incapacity, or retirement of any key personnel of any of such advisers can adversely affect investment results, and though the advisers will be subject to

certain fiduciary duties, there can be no assurances against fraud, misappropriation, or other misconduct by any underlying adviser.

***Different Terms Offered and Existence of Side Letters.*** Certain Investors could be permitted to invest on different terms than other Investors, including with respect to liquidity, transparency, subscriptions, and fees. In general, for Fund entities, the general partner, on its own behalf or on behalf of the Fund entities, is generally authorized under the respective Fund governing document (without need to obtain the approval of any of the other limited partners) to enter into side letters with any limited partner or proposed limited partner with respect to the Fund entities which have the effect of establishing rights under, or altering, amending, or supplementing the terms of the agreement of such Fund entity and any subscription agreement. The terms of any such side letter could grant to a limited partner a right or rights not granted to other limited partners in particular, without limitation, in relation to

- (i) service on the limited partner advisory committee;
- (ii) consent to specified transfers;
- (iii) particular restrictions around the disclosure of a limited partner's identity and the right to disclose information related to the Fund to specified persons;
- (iv) co-investment rights;
- (v) excuse or exclusion from certain investments;
- (vi) tax and regulatory reporting;
- (vii) arrangements with respect to specific legal, regulatory provisions, administrative, or constitutional requirements applicable to the recipient of such side letter (including its status as an ERISA- governed pension plan or fiduciary or as a sovereign or quasi-sovereign entity); and
- (viii) representations and warranties made by the limited partners.

The benefit of any other preferential terms offered to a limited partner in a side letter could be offered to the other limited partners subject to the satisfaction of any conditions (including as to timing or size of commitment or the nature of a particular limited partner) on which such preferential terms were offered.

***Contingent Liabilities.*** A Fund may incur contingent liabilities in connection with an investment. For example, such a Fund may acquire a revolving credit or delayed draw term facility that has not yet been fully drawn or will originate or make a secondary purchase of a revolving credit facility. If the borrower subsequently draws down on the facility, the applicable Fund will be obligated to fund the amounts due. A Fund often incur numerous other types of contingent liabilities. There can be no assurance that a Fund will adequately reserve for its contingent liabilities and that such liabilities will not have an adverse effect on a Fund. As a general matter, use of leverage in lieu of drawing down capital commitments amplifies returns (either negative or positive) to applicable investors.

***Leverage.*** The overall degree of leverage that a Fund utilizes, which could arise from borrowings as well as leverage inherent in derivatives, might not be limited to any predetermined level. Leveraging enhances the ability to acquire assets, but also amplifies net profits and losses, and increases transaction costs. In addition, if a Fund is in a leveraged position, any losses would be more pronounced than if leverage were not used and, under particularly adverse circumstances, could cause a complete loss of a Fund's capital.

***Substantial Fees and Expenses Payable Regardless of Profits.*** Each Fund will incur obligations to pay its expenses (which typically include, without limitation, management fees, performance fees or allocations, transaction costs, operating, accounting, auditing, research, and due diligence expenses), which are payable regardless of whether any profits are realized, and each fund-of-funds will also bear its proportionate share of the fees and expenses of the underlying adviser's fund held.

***Compliance with Employee Retirement Income Security Act Restrictions.*** In order to not be treated as plan asset entities, or to comply with other exemptions from being treated as plan asset entities such as the venture capital operating company ("VCOC") exemption, Funds may restrict transfers or purchases so that ownership of each class of equity interests by benefit plan Investors will remain below 25%. In the event that a redemption would cause a Fund to exceed the 25% threshold, certain Investors may be required to redeem interests so that the Fund remains below the 25% threshold. If the assets of a Fund

were to become “plan assets,” certain investments made or to be made by the Fund in the normal course of its operations might result in non-exempt prohibited transactions and might have to be rescinded.

**Tax Risks.** Applicable tax risks for each Fund or CLO are described in the private placement memorandum, offering memorandum, or other applicable governing document; however, there could be subsequent changes in tax laws or interpretations of such tax laws adverse to a Client or its Investors.

**Lack of Regulation.** Private Investment Funds, including CLOs and hedge funds, are not registered under the 1940 Act and interests in those Funds are not registered under the Securities Act. Accordingly, none of these Funds will be subject to certain regulations applicable to registered funds and issuers of registered securities.

**Applicable Law and Regulatory Developments.** Each Fund must comply with various legal requirements, including requirements imposed by U.S. federal securities laws and tax laws, regulations of the jurisdiction of its domicile and jurisdictions in which it invests, as well as laws, rules, and regulations of jurisdictions in which its Investors are domiciled (including, but not limited to, the EU, the UK, and Japan). Should any of those laws or regulations change the legal requirements to which a Fund and its Investors are subject could differ materially from current requirements.

Events during the past several years and adverse financial results have focused attention upon the necessity to maintain adequate risk controls and compliance procedures. These events have led to increased governmental and self-regulatory authority scrutiny of the financial industry. Various national governments have also expressed concern regarding disruptive effects of speculative trading and the need to regulate the markets in general. Any regulations that restrict trading activities could adversely impact profit potential. The regulatory environment for Private Investment Funds is evolving, and changes in the regulation of such Funds and their investments could adversely affect the value of investments held by the Funds and their ability to pursue their investment strategy. The inability or failure of a Fund to comply with applicable regulatory obligations could have material adverse consequences to the Fund, its manager, and/or its Investors.

**Emerging Markets.** Emerging markets in particular are generally not as efficient as those in developed countries. Volume and liquidity levels in emerging markets have tended to be lower than in developed countries. When seeking to sell interests in emerging markets, little or no market could exist. In addition, issuers based in emerging markets might not be subject to uniform accounting and financial reporting standards, practices, and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets might not accurately reflect the actual circumstances being reported.

### *Private Equity Investments*

The risks set forth below generally apply to an investment in private equity strategies that directly invest in private equities, fixed income instruments, and other financial instruments, as well as interests in other private equity funds, whether managed by PBI LLC or third parties.

**Competition; Failure to Be Fully Invested.** Competition with other industry participants could prevent identification of a sufficient number of attractive opportunities to meet the investment objectives of a Fund. To the extent capital is not invested in transactions fulfilling long-term investment objectives, a Fund might not achieve its investment objectives. Some of a Fund's competitors have greater resources or different return criteria when compared to a PineBridge Fund and could have greater access to secondary investment opportunities and greater ability to complete investments than a Fund, any of which affords them a competitive advantage.

**Reliance on Management of Portfolio Companies.** Each Fund will rely upon the management of the portfolio companies for day-to-day operations. No assurance can be given that a portfolio company will be able to attract and retain the qualified personnel necessary for success or that it will be successful.

***Risks upon Disposition of Certain Investments.*** Sales of portfolio companies could result in contingent liabilities (e.g., indemnification obligations, etc.), which might ultimately have to be funded by the Investors to the extent that they have received prior distributions.

***No Control over Drawdown Schedules of Underlying Funds.*** A fund-of-funds will not have control over the drawdown schedules of its underlying funds.

***Importance of Valuations and Structuring of Acquisitions.*** Overall performance will depend in large part on the acquisition price paid by a Fund for its investments. The valuation of investments can be based on limited information and is subject to inherent uncertainties and performance will be adversely affected in the event the valuations assumed in the course of negotiating acquisitions of investments prove to have been too high.

***Consequences of Failure to Satisfy Capital Calls.*** If an obligation to make capital contributions when due is not made, significant penalties could be imposed, which could have a material adverse effect on the value of an investment.

***Minority Investments.*** A Fund's investments will generally represent minority interests in portfolio companies, and it is authorized to hold minority voting positions (if any) on the boards of directors of certain portfolio companies. A Fund might not be able to control or exercise substantial influence over such portfolio company.

***Follow-On Investments.*** A Fund could be called upon to provide follow-on funding for its investments or have the opportunity to increase its investment in such investment. There can be no assurance that a Fund will be directed to make a follow-on investment or that it will have sufficient capital to do so.

***Political Risks.*** Investments could be subject to changing political environments, regulatory restrictions, and changes in government institutions and policies, any of which could adversely affect private investments, and the Funds do not intend to obtain political risk insurance.

***Non-Public Information.*** From time to time, PineBridge will come into possession of material, non-public information concerning an entity in which a Fund has invested or proposes to invest, and the possession of such information could limit the ability of the Firm to buy or sell securities of such entity on behalf of a Fund.

***Distributions in Kind.*** A Fund could distribute the proceeds of certain investments in securities or other non-cash property as set forth in the applicable Fund's governing documents. Any such in-kind distribution, which can be highly illiquid, could be required to be held for an indefinite period of time, and/or could put downward pressure on the price of the issuer's securities. In addition, the fund's investors could incur costs and delays in converting securities into cash. Nevertheless, the distribution price of such securities will be established under the provisions of applicable governing documents and will not be adjusted to reflect actual sale prices obtained by the Investors.

***Control Positions.*** A Fund could be deemed to have a control or management position with respect to one or more of the portfolio companies in which it has an investment. This in turn could expose the Fund to risk of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations, and other types of liability in which the generally limited liability characteristic of business operations could be ignored.

***Illiquid Nature of Investment.*** Investors in an alternative strategy Private Investment Fund will generally not be permitted to redeem their shares / interests.

***Leverage.*** Certain of the portfolio companies in which a Fund invests could utilize leverage. Leveraging enhances the ability to acquire assets, but also amplifies net profits and losses, and increases transaction costs.

***Risks in Using Certain Financing Techniques.*** A Fund may enter into hedging and derivative transactions with a view to mitigating financial or other risks. There can be no assurance that they will have the intended mitigating effect. Hedging against a decline in the values of investments caused by these risks would not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline for other reasons. Such hedging or derivative transactions may also limit the opportunity for gain if the values should increase. Moreover, it may not be possible to hedge against an interest rate fluctuation that is so generally anticipated by the markets that a hedging transaction at an acceptable price is unavailable. To the extent that the degree of correlation between such hedging or derivative instrument and the Investment being hedged is not perfect, a Fund may be exposed to losses.

***Credit Facility.*** A Fund, or one or more wholly owned subsidiaries thereof, may obtain asset backed leverage from one or more credit facilities and a Fund may obtain one or more revolving credit facilities based on the aggregate capital commitments of the Investors to a Fund. There may be no limitation on the amount of time such borrowing may remain outstanding, and the interest expense and other costs of any such borrowings may decrease net returns of a Fund. As a general matter, use of leverage in lieu of drawing down capital commitments amplifies returns (either negative or positive) to Investors. If a Fund's assets are used as collateral, the credit facility provider may require the sale or liquidation of collateral after any default. Events of default may include, among other things, failure to pay amounts due, breach of representations, warranties, or covenants and other similar terms. If any such credit facility provider were to require a Fund to sell or liquidate assets or otherwise act to realize on such collateral, these actions may impair the operational capabilities of and have an adverse effect on a Fund. These arrangements may also create contingent liabilities of a Fund, for which the general partner may establish reserves or escrow accounts.

***Use of Debt to Make Investments.*** The use of leverage involves a high degree of financial risk. The extent to which a Fund uses leverage may have important consequences to Investors, including, but not limited to, the following:

- (i) greater fluctuations in the net assets,
- (ii) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions, or other purposes,
- (iii) to the extent that Fund revenues are required to meet principal payments, Investors may be allocated income (and therefore incur tax liability) in excess of cash available for distribution,
- (iv) a Fund may be required to prematurely dispose of investments to service its debt obligations,
- (v) limitations on the flexibility of a Fund to make distributions to Investors or sell assets that are pledged to secure the indebtedness, and
- (vi) increased interest expense if interest rate levels were to increase significantly.

***Use of Asset-Backed Credit Facilities.*** Issuers of asset-backed credit facilities will have fixed dollar claims on a Fund's assets that are superior to the claims of the Investors, and a Fund would expect such holders to seek recovery against a Fund's assets in the event of a default. Under the terms of any credit facility or other debt instrument a Fund enters into, a Fund is likely to be required by its terms to use the proceeds of investments that are realized to make interest payments or repay amounts borrowed under such facility or instrument before applying such net proceeds to any other uses, including making distributions to the Investors. There can also be no assurance that a Fund will have sufficient cash flow to meet its debt service obligations. As a result, a Fund's exposure to losses may be increased due to the illiquidity of its Investments generally.

***Impact on Performance of Credit Facilities.*** Additionally, calculations of net IRRs and gross IRRs in respect of investment and performance data as reported to actual or prospective Investors from time to time, have been and will be based on the date that capital contributions are received from Investors. This treatment also applies in instances where a Fund may utilize borrowings under a credit facility, including any revolving credit facility, in lieu of capital contributions or in advance of receiving capital contributions from Investors to repay any such borrowings and any related interest expense. As a result, the use of a credit facility, including a revolving credit facility, will impact calculations of the investment's returns and the calculation of the net IRR and gross IRR for a Fund. This interest rate on such borrowings typically will



be less than the rate of the preferred return and the preferred return does not accrue on such borrowings, and only accrues on capital contributions by Investors when made. As a result, the use of both short-term revolving credit facilities by a Fund and long-term leverage credit facility arrangements by a Fund may effectively reduce or eliminate the preferred return received by the Investors and accelerate or increase distributions of carried interest, as applicable. Subject to the limitations in a Fund's organizational and governing documentation, the use of revolving credit facilities by a Fund and asset backed credit facilities by a Fund is within the investment adviser's discretion.

***Leveraged Nature of Investee Funds and Underlying Portfolio Companies.*** The investee funds and underlying portfolio companies may be highly leveraged, thereby increasing the degree of credit risk inherent in each investment. Leverage often imposes restrictive financial and operating covenants on an entity, in addition to the burden of the debt service, and may impair its ability to finance future operations and capital needs or to pay principal and interest when due. The leveraged capital structure of the investee funds and underlying portfolio companies will increase the exposure of a Fund's investments to any deterioration in an entity's condition or industry, competitive pressures, an adverse economic environment or rising interest rates. In the event any investee fund or underlying portfolio company cannot generate adequate cash flow to meet its debt service needs, a Fund may suffer a partial or total loss of capital invested, which could adversely affect the returns of a Fund.

***Investments Longer than Term.*** A Fund could make investments that might not be fully realized or disposed of prior to the date of termination of such Fund. As a result, the Fund could be required to sell, distribute, or otherwise dispose of investments at a disadvantageous time for a price that is less than the price that could have been obtained if the investments were held for a longer period of time.

#### ***Private Credit Investments***

The risks set forth below generally apply to an investment in private credit strategies that make direct loans to companies, whether managed by PBI LLC or third parties.

***Competition; Failure to Be Fully Invested.*** Competition with other industry participants could prevent identification of a sufficient number of attractive opportunities to meet the investment objectives of a Fund. To the extent capital is not invested in transactions fulfilling long-term investment objectives, a Fund might not achieve its investment objectives. Some of a Fund's competitors have greater resources or different return criteria when compared to a PineBridge Fund, offer lower interest rates, have different risk tolerances, have lower cost of capital and access to funding sources, and otherwise have greater ability to complete investments, any of which affords them a competitive advantage.

***Reliance on Management of Portfolio Companies.*** Each Fund will rely upon the management of the portfolio companies for day-to-day operations. No assurance can be given that a portfolio company will be able to attract and retain the qualified personnel necessary for success or that it will be successful.

***Difficulty in Valuation.*** It is anticipated that there will be no readily available market for a substantial number (if not all) of a Fund's investments, and therefore, most of the investments will be difficult to value.

***Nature of Loans Generally.*** A Fund can be exposed to losses resulting from default and foreclosure of any loans or interests in loans in which it has invested and may acquire equity or equity-related securities in connection with a reorganization, bankruptcy, or similar proceeding, or a restructuring, work-out, or similar event involving a portfolio company. Therefore, the value of underlying collateral, the creditworthiness of borrowers and the priority of liens are each of great importance in determining the value of a Fund's investments.

***Second Lien Loans.*** A Fund may make loans that are secured by a second lien on assets. Second lien loans have been a developed market for a relatively short period of time, and there is limited historical data on the performance of second lien loans in adverse economic circumstances. In addition, second lien loan products are subject to intercreditor arrangements with the holders of first lien indebtedness, pursuant to which the second lien holders have waived many of the rights of secured creditors, and some

rights of unsecured creditors, including rights in bankruptcy which can materially affect recoveries. While there is broad market acceptance of some second lien intercreditor terms, no clear market standard has developed for certain other material intercreditor terms for second lien loan products. This variation in key intercreditor terms may result in dissimilar recoveries across otherwise similarly situated second lien loans in insolvency or distressed situations. While uncertainty of recovery in an insolvency or distressed situation is inherent in all debt instruments, second lien loan products carry more risks than certain other debt products.

**Delayed Draw Term Loans.** A Fund may invest a portion of its assets in delayed draw term loans (“DDTLs”), a type of long-term loan. A DDTL is a loan that typically permits the borrower to draw down predetermined portions of the total loan commitment at certain times. DDTLs usually provide for floating or variable rates of interest and may provide the Fund with fees. If the Fund enters into or acquires a commitment with a borrower regarding a DDTL, the Fund may be obligated to lend the borrower monies (up to an aggregate stated amount) if and when called upon to do so by the borrower. These commitments have the effect of requiring the Fund to maintain capital reserves sufficient to fund any lending obligations, and to increase its investment in a borrower at a time when it might not otherwise decide to do so (including at a time when the company’s financial condition makes it unlikely that such amounts will be repaid). DDTLs may be subject to restrictions on transfer, and only limited opportunities may exist to resell such instruments. As a result, the Fund may be unable to sell such investments at an opportune time or may have to resell them at less than fair market value.

**Nature of Middle Market Senior Loans.** Middle market senior loans generally will be unrated or if rated, will have ratings or implied or imputed ratings below investment grade. The market for lower-rated and comparable non-rated debt instruments and securities is less liquid and less active than that for higher-rated and comparable non-rated debt instruments and securities, which can adversely affect the prices at which such debt instruments and securities can be sold and could even make it impracticable to sell such debt instruments and securities. Loans to middle market companies could carry more inherent risks than loans to larger, publicly traded entities.

**Subordination.** Mezzanine and other junior capital securities will typically be subordinated to the senior obligations of an issuer, either contractually or structurally, in the case of debt securities, or because of the nature of the security, in the case of preferred stock, common stock, or other equity securities. Such subordinated investments can be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer, general economic conditions, or both could impair the ability of such issuer to make payments on the subordinated securities and result in defaults on such securities more quickly than in the case of the senior obligations of such issuer.

**Interest Rate Risk.** Interest rate fluctuations can have a substantial negative impact on a Fund. A reduction in the interest rates on new investments relative to interest rates on current investments could also have an adverse impact on a Fund’s net investment income. An increase in interest rates could decrease the value of any investments a Fund holds with interest rate floors above prevailing rates or earning fixed interest rates, and also could increase a Fund’s interest expense, thereby decreasing its net income.

**Prepayment Risk.** The frequency at which prepayments (including voluntary prepayments by obligors and accelerations due to defaults) occur on loans will be affected by a variety of factors, including the prevailing level of interest rates and spreads, as well as economic, demographic, tax, social, legal, and other factors. In the case of some loans, having the loan prepaid could reduce the achievable yield for a Fund, which could have a material adverse effect on such Fund’s business, financial condition, and results of operations.

**Creditors’ Rights.** A Fund’s investments and the collateral underlying those investments will be subject to various laws for the protection of creditors in the jurisdictions of the investments concerned. Such differences in law could also adversely affect the rights of a Fund as a lender with respect to other creditors.

***Syndicated Loan Risk.*** In the event that a Fund is unable to syndicate a loan or loans as intended, such Fund would be forced to retain larger amounts of such loan or loans than originally intended. In such an event, such Fund's investment portfolio could become significantly concentrated in a particular loan or loans.

***Follow-On Investments.*** A Fund could be called upon to provide follow-on funding for its investments or have the opportunity to increase its investment in such investment. There can be no assurance that a Fund will be directed to make a follow-on investment or that it will have sufficient capital to do so.

***Political Risks.*** Investments can be subject to changing political environments, regulatory restrictions, and changes in government institutions and policies, any of which could adversely affect private investments, and the Funds do not intend to obtain political risk insurance.

***Non-Public Information.*** From time to time, PineBridge comes into possession of material, non-public information concerning an entity in which a Fund has invested, or proposes to invest, and the possession of such information can limit its to buy or sell securities of such entity on behalf of the Fund.

***Distributions in Kind.*** A Fund is authorized to distribute the proceeds of certain investments in securities or other non-cash property as set forth in its applicable governing documents. Any such in-kind distribution, which can be highly illiquid and could be required to be held for an indefinite period of time, could put downward pressure on the price of the issuer's securities. In addition, a Fund's Investors could incur costs and delays in converting securities into cash. Nevertheless, the distribution price of such securities will be established under the provisions of applicable governing documents and will not be adjusted to reflect actual sale prices obtained by the Investors.

***Illiquid Nature of Investment.*** Investors in a private credit strategy Fund will generally not be permitted to redeem their shares/interests.

***Investments Longer than Term.*** A Fund can make investments that might not be fully realized or disposed of prior to the date of termination of such Fund. As a result, the Fund might have to sell, distribute, or otherwise dispose of investments at a disadvantageous time for a price that is less than the price that could have been obtained if the investments were held for a longer period of time.

### ***Hedge Fund Investments***

The risks set forth below generally apply to an investment in hedge funds that directly invest in equities, fixed income instruments and other financial instruments, as well as interests in hedge funds, whether managed by PBI LLC or third parties.

***Illiquid Nature of Investment.*** Because of the limitations on redemptions and the fact that Fund interests / shares are not tradable, an investment in a Fund is relatively illiquid. Additionally, a Fund could suspend or postpone redemptions entirely or delay payment for extended periods of time.

***Illiquid Portfolio Investments.*** Hedge fund strategy Funds can invest in assets for which no liquid market exists and could separately account for illiquid investments in "side pockets." The valuation of illiquid investments could differ materially from the prices at which they are sold, and the redemption proceeds related to illiquid investments could be delayed for long periods of time. In addition, liquidity risk could be exacerbated, as it was by the recent dislocation of U.S. and global financial markets, by future dislocations.

***Possible Effects of Substantial Redemptions.*** Substantial redemptions could, among other things, require liquidation of the positions held by a Fund more rapidly than would otherwise be desirable, adversely affect the risk profile of the remaining investments of a Fund, and/or result in redemptions from a Fund being temporarily suspended.



**No Investment Restrictions.** A Fund's investment manager might not be bound by any particular investment restrictions in pursuing a Fund's investment objectives and in such cases, there will be no concentration or diversification limits with respect to the Fund's direct investments.

**Market Volatility.** Market volatility could cause sudden and severe reductions in the value of a Fund's investments.

**Mandatory Redemption.** An Investor's interest / shares in a Fund could generally be mandatorily redeemed at any time and potentially result in a loss.

**Valuation; Pricing Information.** Observable pricing inputs might not always be available from any source with respect to certain investments. Amounts ultimately realized upon the sale or disposition of the relevant asset could differ materially from the valuation inputs provided to a Fund.

**Designated Investments.** To the extent a Fund invests in assets that are, or become highly illiquid, those assets could be segregated as designated investments or side pockets. Investors generally cannot redeem their interests / shares that participate in designated investments or side pockets prior to a disposition thereof, and therefore could be required to retain such interests / shares for years after they have otherwise entirely been redeemed.

**Concentration.** A portfolio of investments that contains a large concentration in few investments could be subject to greater change in value than a portfolio composed of smaller investments in a greater number of properties or asset classes.

**Currency Risk.** To the extent unhedged, the value of a Fund denominated in one currency with assets denominated in another will fluctuate with the relevant exchange rates. Hedges against currency fluctuations can be utilized but there can be no assurance that they will be effective in preventing loss.

**Counterparty Credit Risk.** To the extent a Fund invests in over-the-counter transactions or enters into certain other transactions (e.g., repurchase agreements), it could take credit risk with regard to parties with whom it trades and can also bear the risk of settlement default.

**Risk of Loss Due to the Bankruptcy or Failure of Counterparties.** A Fund will be subject to various risks related to the insolvency of its counterparties (such as broker-dealers, futures commission merchants, banks or other financial institutions, exchanges, or clearinghouses), or the failure of such counterparties to comply with applicable law (including with respect to asset segregation, if applicable).

**Technical Trading Systems.** In a trendless or erratic market, a technical trading system could fail to identify a trend on which action should be taken, or could overreact to minor price movements, and thus establish a position contrary to overall price trends, which can result in losses.

**Reliance on Quantitative Analysis.** There can be no assurance that quantitative models will be accurate and work as intended, or that they will not result in significant losses. The effectiveness of such models could diminish over time and attempts to apply existing quantitative models to new markets could prove ineffective.

**Reliance on Fundamental Analysis.** There can be no assurance that a fundamental trading system will enable the accurate valuation of assets or that any anticipated price trends will materialize with respect to such assets.

**Hedging Techniques.** Hedging techniques could result in a loss, regardless of whether the intent was to reduce risk, and might also increase the volatility of instruments.

**Frequent Purchases and Sales.** Frequent purchases and sales could be required by the different trading strategies and will increase the commission costs and certain other expenses.

*Over the Counter and Other Derivative Instruments.* Various derivative instruments, including futures, options, forward contracts, swaps, and other derivatives can be used, which could be volatile and speculative. Certain positions could be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Additional risks can exist because of, among other things, illiquidity, counterparty exposure, leverage, and pricing issues (e.g., lack of valuation information, etc.).

*Commodities, Futures Trading and Currency Interest Trading.* A principal risk in trading futures and currency interests is the traditional volatility (rapid and wide fluctuation) in the market prices of currencies. Because of the low margin deposits typically required in such trading, a relatively small movement in the market price of a currency interest could result in a disproportionately large profit or loss, depending on the amount of leverage used. Positions in such instruments could also be illiquid. If prices fluctuate during a single day's trading beyond exchange limits, a Fund could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses.

### *CLO Investments*

The risks set forth below (together with the risks described under "Private Investment Funds, Hedge Funds, and Funds-of-Funds – General" above and "Material Risk Factors Generally Associated with Fixed Income Instruments and Related Strategies" below) generally apply to an investment in CLOs, whether managed by PBI LLC or third parties.

*General Economic Conditions relating to CLOs.* Significant risks exist as a result of uncertain general economic conditions. These risks include, among others,

- (i) the possibility that, on or after the closing date, the prices at which collateral obligations can be sold by the CLO issuer will have deteriorated from their effective purchase price;
- (ii) the illiquidity of the notes, as there is typically limited or no secondary trading in the notes; and/or
- (iii) the possibility of a decline in the market value of the notes.

These risks could affect the returns on the notes to Investors and the ability of Investors to realize their investment in the notes prior to their stated maturity, if at all. In addition, the primary market for a number of financial products including leveraged loans can be volatile, and the level of new issuances could be uncertain and often varies based on a number of factors, including general economic conditions. As well as reducing opportunities for the CLO issuer to purchase assets in the primary market or reinvest proceeds from investments, this could increase the possibility that an underlying obligor or issuer is unable to refinance maturing collateral obligations. These additional risks can affect the returns on the notes to Investors and could further slow, delay, or reverse an economic recovery and cause a further deterioration in loan performance generally.

Limitations on the amount of available credit in the market would likely have an adverse impact on general economic conditions that affect the performance of the collateral. A slowdown in growth or commencement of a recession would be expected to have an adverse effect on the ability of businesses to repay or refinance their existing debt. Adverse macroeconomic conditions often adversely affect the rating, performance, and the realization value of the collateral. It is possible that the collateral will experience higher default rates than anticipated and that performance will suffer.

The market value and performance of the collateral obligations and the notes could be adversely impacted by current and future economic conditions, including perceptions of potential, current or future conditions, market trading imbalances, or technical dislocation. To the extent that economic and business conditions fail to improve or deteriorate further, the levels of defaults and delinquencies are likely to increase and market values could decrease or not fully recover, which would likely adversely affect the amount of proceeds that could be obtained upon the sale of the collateral obligations and could adversely impact the ability of the CLO issuer to make payments on the notes.

*Leverage Risks.* CLOs are highly leveraged investments. The use of leverage has the effect of potentially

increasing losses to holders of more subordinated classes of CLO securities. If income and appreciation on investments made with borrowed funds are less than the required interest payments on the borrowings, the value of the CLO's net assets will decrease. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent the investment in a class of CLO securities is leveraged.

**Concentration Risks.** A concentration by a CLO of portfolio assets or collateral securing portfolio assets of a limited number of obligors or obligors within a particular industry or region or a concentration of portfolio assets secured by a limited class of assets could impair a CLO's portfolios if the industry or region were to experience economic difficulties or if the asset class were to fall out of favor in the market. The unfavorable performance of one or more of a CLO's relatively large investments could have a substantial adverse impact on the aggregate returns of the CLO.

**Competition; Failure to Be Fully Invested.** Competition with other industry participants could prevent identification and acquisition of a sufficient number of assets that meet the investment objectives and investment criteria of a CLO. To the extent capital is not invested in assets fulfilling long-term investment objectives and CLO criteria, the CLO might not achieve its investment objectives, and this can result in early termination of the CLO's reinvestment period and/or early redemption of CLO securities.

**Minority Investments.** A CLO will generally only hold minority positions in collateral loans and will generally not be able to control or exercise substantial influence over the exercise of creditor's rights and remedies.

**Nature of Collateral for CLOs.** The collateral obligations will consist primarily of non-investment grade loans or interests in non-investment grade loans which are subject to liquidity, market value, credit, interest rate, reinvestment, and other risks. There can be no assurance that the collateral manager will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on the collateral obligations and purchase collateral obligations that will not default and will generate high returns for the CLO issuer. It is anticipated that the collateral obligations generally will be subject to greater risks than investment grade corporate obligations. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular types of collateral obligations.

Prices of the collateral obligations can be volatile and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including, but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions (including the condition of the leveraged loan market), domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors on the collateral obligations. Volatility in financial markets could adversely affect the value and performance of the collateral obligations. Additionally, loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other industry participants engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities. In addition, the historical trading volume in the loan market has been small relative to the high-yield debt securities market.

**Lower Credit Quality Financial Instruments.** Lower rated and unrated instruments in which a CLO invests have large uncertainties or major risk exposures to adverse conditions and are considered to be predominantly speculative. Generally, such instruments involve greater volatility of price and greater risk of loss of income and principal.

#### **Material Risk Factors Generally Associated with Public Equity Investments and Related Strategies**

Certain of the risks associated with investing in private equity have been discussed above in relation to investing in hedge funds and private equity funds. Set forth below is a description of additional risks associated with investing in public equity securities and certain related strategies employed. Such risks are applicable to Funds that invest directly in public equities and employ the related strategies, and to

funds-of-funds and managed accounts that allocate assets indirectly to public equities and that employ the related strategies.

**Public Equity Securities.** The value of equity securities can fluctuate in response to specific situations for each company, industry market conditions, and general economic environments, which could result in losses to a Fund.

**Small and Medium Capitalization Companies.** Stocks of companies with small- to medium-sized market capitalizations involve higher risks (e.g., increased volatility) than do investments in stocks of larger companies. Risks also exist because such companies lack the management experience, financial resources, product diversification, and competitive strength of larger corporations, and the shares of such companies are generally illiquid.

**Newly Issued Securities.** Prices of newly issued securities might not increase as expected and, in fact, could decline more rapidly than other securities.

**Private Placements and Unregistered Securities.** The market to resell these assets under applicable securities laws could be illiquid, due to restrictions, and liquidation might be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Emerging and Less Developed Markets.** Investing in the companies (and governments) of emerging countries with less well-regulated markets than the U.S., the UK, or other EU countries generally involves significant risks, including without limitation, risks with respect to expropriation, nationalization, and general social, political, and economic instability. In addition, foreign equities in less developed markets can involve greater risks than comparable U.S., UK, or EU investments because of, among other things, instability of some foreign governments, the possibility of expropriation, limitations on the use or removal of capital or other assets, changes in governmental administration or economic or monetary policy, or changed circumstances in dealings between nations.

**Arbitrage Transactions.** The success of arbitrage strategies (whether convertible arbitrage, merger arbitrage, volatility arbitrage, capital structure arbitrage, or otherwise) depends often on the ability to execute two or more simultaneous transactions at desired prices. Should such transactions not be executed simultaneously at the desired prices, losses could be incurred on both sides of the transaction.

**Restructurings.** If assets are purchased in anticipation of an acquisition attempt or reorganization, and an acquisition attempt or reorganization does not in fact occur, assets could be required to be sold at a material loss.

**Global Macro.** This strategy involves taking unhedged long or short positions in various markets. Such unhedged investments can expose a Fund to full market risk and are subject to substantial losses.

**Short Sales.** There are many risks related to using short sales, including losses from short sales could be unlimited if the price of the security sold short continues to appreciate.

**Warrants, Rights and Options.** The value of warrants and options can be very volatile, and they can expire worthless, resulting in a loss of the entire investment over a very short time period. In addition, the prices of warrants, rights, and options do not necessarily move parallel to the prices of the underlying securities.

**Effect of Socially Responsible Investment Principles.** To the extent a strategy is socially responsible, investment principles could prevent it from making or disposing of an investment it otherwise would have made. Such strategy might earn less profit than it otherwise would have earned had it not been for such principles.

**Indexing Risk.** Where a passive indexing strategy is used, either replication or representative sampling, to manage a portfolio, the portfolio invests in the securities included in, or representative of, its underlying

index regardless of their investment merit. There is generally no attempt to outperform a portfolio's underlying indexes or take defensive positions in declining markets; as a result, a portfolio's performance could be adversely affected by a general decline in the market segments relating to its underlying index.

***Index Tracking Risk.*** Imperfect correlation between a portfolio of securities and those in the underlying index, rounding of prices, changes to the underlying index, and regulatory requirements could cause tracking error, which is the divergence of the portfolio's performance from that of the underlying index. This risk can be heightened during times of increased market volatility or other unusual market conditions. Tracking error also could result because a portfolio incurs fees and expenses while the underlying index does not.

***Quantitative Model Risk.*** Investment strategies using quantitative models could perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction, and implementation of the models.

#### *Material Risk Factors Generally Associated with Fixed Income Instruments and Related Strategies*

Certain of the risks associated with investing in fixed income instruments have been discussed above in relation to investing in hedge funds and private equity funds. Set forth below is a description of additional risks associated with investing in fixed income instruments and certain related strategies employed. Such risks are applicable to Funds that invest directly in fixed income instruments (including CLOs) and that employ the related strategies, and to funds-of-funds and managed accounts that allocate assets indirectly to fixed income instruments and employ the related strategies.

***Investment in Fixed Income Instruments.*** The value of fixed income securities will change in response to fluctuations in interest rates and credit quality, which could result in losses.

***Interest Rate Risk.*** Adverse interest rate developments, such as interest rate increases, instability, or even increased uncertainty, would be expected to adversely affect the debt markets, and render more difficult the achievement of satisfactory returns in such markets. Additionally, during periods of falling interest rates, an obligor to a debt instrument could "call" or repay its higher interest-bearing debt instrument before its maturity date, requiring a strategy to invest in new securities with lower interest rates. To the extent that a Fund employs leverage (such as a CLO), there could be various mismatches, including rate and basis mismatches, between the interest rates payable on assets of the Fund and the interest rate payable on debt obligations of the Fund. There is no guarantee the Fund would have the ability to hedge such interest rate risks and, if a Fund does hedge interest rate risks, there can be no assurance that such hedge will be effective and will not have any adverse consequences to the Fund or Investors in any particular class of fund securities.

The benchmark rate in respect of floating rate fixed income instruments (including CLO debt securities) frequently was a LIBOR-based rate. As discussed below, as LIBOR is eliminated as a benchmark rate, uncertainty remains as to the replacement conventions in the leveraged loan and CLO markets. Further, as conventions develop, it is not certain whether such conventions will create adverse consequences for a Fund or its Investors. If no such conventions develop, it is uncertain what effect broadly divergent interest rate calculation methodologies in the markets will have on a Fund or its Investors.

***High-Yield Bonds and Leveraged Loans.*** High-yield bonds and leveraged loans generally have lower credit ratings (or no credit ratings in some cases) and are subject to greater risk of loss of principal and interest than investment-grade bonds and loans. Such instruments are generally considered to be predominantly speculative with respect to the issuer's and borrower's capacity to pay interest and repay principal. The highly leveraged capital structure of the issuers and borrowers in such transactions could make such bonds and loans especially vulnerable to adverse changes in economic or market conditions. The sale and purchase of a leveraged loan are subject to the requirements of the underlying credit agreement governing such leveraged loan. These requirements could limit the eligible pool of potential leveraged loan holders by placing conditions or restrictions on sales and purchases of leveraged loans.



Leveraged loans are not traded on an exchange and purchasers and sellers of leveraged loans rely on market makers, usually the administrative agent for a particular leveraged loan, to trade leveraged loans. These factors, in addition to overall market volatility, could negatively impact the liquidity of leveraged loans.

***Non-Investment Grade Securities Risk.*** Non-investment grade securities involve greater risk of default or downgrade and are more volatile than investment-grade securities. Non-investment grade securities can also be less liquid than higher quality securities.

***Floating Rate Loan Risk.*** The risks associated with floating rate loans are similar to the risks of non-investment grade securities. The value of the collateral securing a floating rate loan can decline, be insufficient to meet the obligations of the borrower, or be difficult to liquidate. As a result, a floating rate loan might not be fully collateralized and can decline significantly in value. Floating rate loans generally are subject to contractual restrictions on resale. The liquidity of floating rate loans, including the volume and frequency of secondary market trading in such loans, varies significantly over time and among individual floating rate loans. During periods of infrequent trading, valuing a floating rate loan can be more difficult, and buying and selling a floating rate loan at an acceptable price can also be more difficult and delayed. Difficulty in selling a floating rate loan can result in a loss. In addition, floating rate loans generally are subject to extended settlement periods in excess of seven days, which could impair the ability to sell or realize the full value of its loans in the event of a need to liquidate such loans.

***Investment-Grade Debt.*** Investment-grade debt instruments can possess speculative characteristics and can be more sensitive to economic changes and to changes in the financial conditions of such underlying issuers.

***Credit Risk.*** Some underlying borrowers and issuers could fail to make the required payments on senior loans and other debt-related instruments held by a Fund. Debt instruments also increase or decrease in value based on the perceived creditworthiness of underlying issuers and borrowers. A default on an investment held by a Fund could adversely impact the Fund.

***Investment in Loans.*** A Fund investing in loans could be exposed to losses resulting from loan defaults. Additionally, a Fund could be unable to sell loans at a time when it would otherwise be desirable to do so or could only be able to sell them only at prices that are less than their fair market value.

Funds can be invested in covenant light loans (“cov-lite”), which typically do not have the usual protective maintenance covenants for the creditor. Ownership of cov-lite loans could expose a Fund to different risks, including with respect to liquidity, price volatility, and ability to restructure loans than is the case with loans that have maintenance covenants.

Funds can also invest in second lien loans, which are loans secured by a pledge of collateral that is subordinated to senior secured obligations of the obligor, or subordinated loans, which are subordinated, unsecured debt obligations of the obligor. Investments in these loans will generally expose a Fund to greater credit, insolvency, and liquidity risk than is typically associated with investment grade obligations and senior secured obligations.

***Distressed Loans.*** Distressed loans often require a substantial amount of workout negotiations and/or restructuring, which typically entails, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such distressed loans. A risk exists that, upon maturity of the restructured distressed loan, replacement “takeout” financing will not be available, and several risks exist with respect to foreclosure on such loans and the related collateral, if any.

***Weak Economy Could Trigger Defaults.*** Any substantial economic slowdown could increase delinquencies, defaults, and foreclosures and reduce a Fund’s ability to purchase suitable debt obligations.

***Asset-Backed Securities (“ABS”) and Mortgage-Backed Securities (“MBS”).*** Holders of asset-backed and

mortgage-backed securities bear various risks, including prepayment risks, liquidity risks, interest rate risks, market risks, operations risks, structural risks, and legal risks. Within mortgage-related securities, there are three main categories: government guaranteed residential mortgages, non-government guaranteed residential mortgages, and commercial mortgages. Government guaranteed mortgage-backed securities have limited to no credit risk, however the timing of the repayment of principal on those securities is an inherent risk because the underlying mortgages are subject to prepayment risks associated with, among other things, interest rate fluctuations. While non-government guaranteed MBS and commercial MBS carry the aforementioned prepayment risks, they also carry credit risk. Credit risk is an important issue in such securities because of the significant credit risks inherent in the underlying collateral and because issuers are primarily private entities.

*Collateralized Loan Obligations (“CLOs”) and Collateralized Debt Obligations (“CDOs”).* CLOs and CDOs issue classes or “tranches” of debt and equity that vary in risk and yield, and could experience substantial losses due to actual defaults, decrease of market value due to collateral defaults, and the erosion or disappearance of subordinate tranches, market anticipation of defaults, and investor aversion to CLO and CDO securities as a class. The risks of investing in CLOs and CDOs depend largely on the type of the underlying collateral. There is no public market for interests in CLOs and CDOs and such interests could be difficult to sell at an advantageous price or time.

*Lower Credit Quality Financial Instruments.* Lower rated and unrated instruments in which a portfolio could invest have large uncertainties or major risk exposures to adverse conditions and are considered to be predominantly speculative. Generally, such instruments involve greater volatility of price and greater risk of loss of income and principal.

#### *Material Risk Factors Generally Associated with Multi-Asset Strategies*

As discussed above, PBI LLC manages certain multi-asset investment strategies. Using these strategies, the Multi-Asset team allocates Investor assets among various strategies managed by other PineBridge investment teams. The assets are invested according to the underlying strategies using separate accounts, mutual funds, private investment funds or other available vehicles, as appropriate. The Multi-Asset team allocates assets among the underlying strategies in its discretion, consistent with the Investor investment objectives and guidelines. In some cases, the multi-asset strategy can differ from the underlying strategy managed by other PineBridge investment teams. For example, the multi-asset strategy could be more concentrated or customized than its underlying strategy counterpart.

In making allocation decisions, the Multi-Asset team will have access to detailed information related to the underlying strategies that might not be available to other Investors or Clients. This includes, but is not limited to, holdings information, transaction detail, performance information, and access to other PineBridge investment teams. As a result, the Multi-Asset team could be able to achieve performance results that are better than other Investors whose assets are managed using one or more of the underlying investment strategies, but where PBI LLC is not responsible for the Investor’s asset-allocation decisions.

Other risks associated with investing in multi-asset strategies have been discussed above in relation to equity investments, fixed income instruments, hedge funds, and Private Investment Funds.

*Multi-Asset Strategy Risk.* Multi-Asset strategies do not assure profit and do not protect against loss.

#### *Securities Valuation*

The Firm’s advisory fees normally are calculated based upon the value of Investor’s portfolios. For the most part, pricing for Investor securities is provided by independent third-party pricing vendors. However, the Firm has the ability to determine the value of portfolio holdings that are difficult to price, and in such cases has an incentive to select the highest potential price for those securities, although a lower price would also be reasonable. To mitigate the potential conflict, the Firm has created a Global Valuation Committee to oversee the valuation decisions made for the securities held by the Firm’s Investors. The

Global Valuation Committee includes members from the Firm's control groups such as Legal, Compliance, and Risk Management.

*Risks Related to the Discontinuance of the London Interbank Offered Rate ("LIBOR")*

LIBOR is an estimate of the rate at which a sub-set of banks (known as the panel banks) could borrow money on an uncollateralized basis from other banks. The United Kingdom (the "UK")'s Financial Conduct Authority (the "FCA"), which regulates LIBOR, has announced that it will not compel banks to contribute to LIBOR after 2021; the panel banks will still be required to submit the USD 1-month, 3-month, 6-month and 12-month LIBOR settings until 30 June 2023. As that date approaches the FCA could decide to require the continued publication of these settings on a synthetic basis, which would represent an approximation of each setting, in order to reduce disruption in the market. On 3 April 2018, the New York Federal Reserve Bank began publishing its alternative rate, the Secured Overnight Financing Rate ("SOFR"). The Bank of England followed suit on 23 April 2018 by publishing its proposed alternative rate, the Sterling Overnight Index Average ("SONIA"). Each of SOFR and SONIA significantly differ from LIBOR, both in the actual rate and how it is calculated, and therefore it is unclear whether and when markets will adopt either of these rates as a widely accepted replacement for LIBOR. If no widely accepted conventions develop, it is uncertain what effect broadly divergent interest rate calculation methodologies in the markets will have on the price and liquidity of loans and debt obligations held by the funds, securities issued by the funds and our ability to effectively mitigate interest rate risks.

The Alternative Reference Rate Committee confirmed that the 5 March 2021 announcements by the ICE Benchmark Administration Limited and the FCA on the future cessation and loss of the representativeness of the LIBOR benchmark rates constitutes a "benchmark transition event" with respect to all U.S. dollar LIBOR settings. A "benchmark transition event" may cause, or allow for, certain contracts to replace LIBOR with an alternative reference rate and such replacement could have a material and adverse effect on LIBOR-linked financial instruments.

As of the date of this presentation, no specific alternative rates have been selected in the market, although the Alternative Reference Rates Committee convened by the Board of Governors of the Federal Reserve System has made recommendations regarding a specified alternative rate based on a priority waterfall of alternative rates and certain bank regulators and the SEC are encouraging the adoption of such specified alternative rate.

It is uncertain whether or for how long LIBOR will continue to be viewed as an acceptable market benchmark, what rate or rates could become accepted alternatives to LIBOR, or what the effect any such changes could have on the financial markets for LIBOR-linked financial instruments. Similar statements have been made by regulators with respect to the other Inter-Bank Offered Rates ("IBORs"). Certain products / strategies can undertake transactions in instruments that are valued using LIBOR or other IBOR rates or enter into contracts which determine payment obligations by reference to LIBOR or one of the other IBORs. Until their discontinuance, the products / strategies could continue to invest in instruments that reference LIBOR or the other IBORs. In advance of 2021, regulators and market participants are working to develop successor rates and transition mechanisms to amend existing instruments and contracts to replace an IBOR with a new rate. Nonetheless, the termination of LIBOR and the other IBORs presents risks to product / strategies investing in LIBOR-linked financial instruments. It is not possible at this point to identify those risks exhaustively, but they include the risk that an acceptable transition mechanism might not be found or might not be suitable for those products / strategies (as applicable). In addition, any alternative reference rate and any pricing adjustments required in connection with the transition from LIBOR or another IBOR could impose costs on, or might not be suitable for applicable products / strategies, resulting in costs incurred to close out positions and enter into replacement trades.

*Risks Related to Macro-Events Such as Acts of War, Natural Disasters, Epidemics, Pandemics, and Terrorist Attacks*

Countries and regions in which the Firm invests, where the Firm has offices, or where certain Investors otherwise do business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm, and



hurricane), and epidemics, pandemics, or other outbreaks of serious contagious diseases. The occurrence of a natural disaster or an epidemic / pandemic could adversely affect and severely disrupt the business operations, economies, and financial markets of many countries (even beyond the site of the natural disaster or epidemic) and could adversely affect an Investor's ability to do business. In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially, and adversely affect the businesses, industries, countries, and regions in which the Firm invests, where the Firm has offices, or where an Investor otherwise does business. Other acts of war and global geopolitical events (e.g., war, invasion, acts of foreign enemies, hostilities, and insurrection, regardless of whether war is declared and global sanctions regimes) could also have a material adverse impact on the financial condition of the businesses, industries, countries, or currencies in which the Firm invests. Large scale events such as acts of war, natural disasters, epidemics, pandemics, and terrorist attacks can have the effect of compounding or exaggerating the impact of any of the investment risks noted above.

#### *Risks Related to Technology Security and Business Continuity*

The Firm's investment activities rely in part on various technology systems, including proprietary and third-party software. To operate effectively, some of these systems depend upon a large volume of data from the Firm as well as third party sources. The Firm has devoted resources to develop and maintain its own systems. It also has undertaken efforts to evaluate and/or monitor third parties that provide systems and data. Despite these efforts, there is a risk that system interruptions or inaccurate data could impact the Firm and its Investors. The Firm's response to such incidents is designed to remediate any issues on a timely basis, although the details of the Firm's response depend upon case-by-case circumstances.

As part of its business, the Firm also processes, stores, and transmits electronic information, including information relating to the transactions of Investors and, in some cases, personally identifiable information of its Investors. The Firm has procedures and systems in place designed to protect such information and prevent data loss and security breaches. Similarly, the Firm's service providers are authorized to process, store and transmit such information. Each service provider has represented to the Firm that it has procedures and systems in place designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable, or degrade service, or sabotage systems change frequently and could be difficult to detect for long periods of time. Hardware and software acquired from third parties can contain defects in design or manufacture or other problems that could unexpectedly compromise the Firm's information security.

The loss or improper access, use or disclosure of the Firm's, or Investor's proprietary information can cause the Firm or its Investors to suffer, among other things, financial loss, disruption of its business, liability to third parties, regulatory intervention, or reputational damage.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which the Firm invests on behalf of its Investors; counterparties with which an Investor engages in transactions; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions; and other parties. In addition, substantial costs could be incurred by these entities in order to prevent any cybersecurity breaches in the future.

The Firm maintains a business continuity plan designed to sustain critical functions in the event of a partial or total building outage affecting its offices or a technical problem affecting applications, data centers, or networks. Nevertheless, the Firm's ability to conduct business could be curtailed by a disruption in the infrastructure that supports its operations and the regions in which the Firm's offices are located.

**Item 9 - Disciplinary Information**

PBI LLC has no material disciplinary events to disclose; therefore, this section is not applicable.

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

### **PineBridge Partners, L.P.**

PIP LP is a multi-strategy hedge fund platform encompassing management of portfolios across multiple strategies, asset classes, and geographic regions, and may invest in a wide variety of securities, instruments, and other opportunities primarily by allocating assets to multiple external third-party sub-advisers, as well as possible internal sub-advisers.

### **Broker-Dealer or Registered Representative**

PineBridge Securities LLC, an affiliate of PBI LLC, is a Delaware limited liability company and is registered as a limited purpose broker-dealer, under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and a Financial Industry Regulatory Authority ("FINRA") member and serves as placement agent for certain private investment funds sponsored and/or managed by PBI LLC and other third-party advisers. Certain of the Firm's employees are registered representatives of PineBridge Securities LLC.

### **Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser or Associated Person**

PBI LLC is registered as a commodity pool operator and commodity trading adviser under the Commodity Exchange Act.

### **Material Relationships or Arrangements within the Financial Industry**

As mentioned in the "Advisory Business" section of this Brochure (Item 4), PineBridge Investments is a group of companies owned by PCG. PCG is a private investment group, which has interests in infrastructure, property, and other investments mainly in the Asia Pacific region.

PBI LLC manages a variety of alternative investment products that are intended to take advantage of market opportunities or to meet specific investment mandates. These products are typically structured as, without limitation, limited partnerships, limited liability companies, or unit trusts, in order to meet the legal, regulatory, and tax demands of Investors. In and of themselves, the assets under management in relation to these Clients are not material, but as a whole, they are one part of PBI LLC's advisory and sub-advisory business. PBI LLC serves as investment adviser or provides advisory services to U.S. registered and offshore investment companies. PBI LLC also provides sub-advisory services to registered investment companies sponsored by unaffiliated investment advisers.

### **Participating Affiliate Relationships**

PBI LLC is authorized to and may utilize the advisory and/or management services of the following foreign affiliates ("PineBridge Affiliates") to provide advisory and/or management services to clients with respect to foreign securities and markets:

- PineBridge Investments Europe Ltd.
- PineBridge Investments Asia Ltd.
- PineBridge Investments Japan Co., Ltd.
- PineBridge Investments Latin America SpA
- PineBridge Galaxy LLC
- PineBridge Investments Ireland Limited
- PineBridge Investments Hong Kong Limited
- PineBridge Investments Singapore Limited
- PineBridge Investments Management Taiwan Limited
- PineBridge de Mexico S. de R.L. de C.V.

- PineBridge Investments India Advisors Private Limited

Certain of the above PineBridge Affiliates are “Participating Affiliates” of PBI LLC (as that term has been used by the Division of Investment Management of the SEC) in that they provide investment advice through and under the supervision and control of PBI LLC to its Investors.

Guidance set forth under applicable law and related SEC staff guidance permits registered advisers to access the services of affiliates not registered with the SEC, under prescribed conditions. Conditions include, among other things, the Participating Affiliates providing the SEC access to trading and other records, observing specific recordkeeping rules, and cooperating with the SEC as it relates to the Clients managed by the Participating Affiliates. Each Participating Affiliate and respective employee thereof whose duties relate to the investment decisions or recommendations that PBI LLC makes to Investors in connection with the Participating Affiliate arrangements, or who has access to certain related information, is deemed to be an “associated person” of PBI LLC. Conversely, PBI LLC serves as a sub-adviser or staffing and services provider to PineBridge Galaxy LLC.

### Securities Regulatory Registrations

In conducting worldwide investment business, PineBridge and its affiliates are subject to local governances of financial service regulators, including but not limited to the following:

- **Securities and Exchange Commission (“SEC”)** in the US. PineBridge Investments LLC is registered as an Investment Adviser with the SEC. PineBridge Investments LLC is the successor by merger to the business of AIG Global Investment Corp. The predecessor entity was registered on 2 May 1983. Registration CRD number: 105926. SEC number 801-18759. PineBridge Partners LP is registered as a Relying Investment Adviser with the SEC under PineBridge Investments LLC’s registration.
- **Commodity Futures Trading Commission (“CFTC”) and National Futures Association (“NFA”)** in the US. Since 26 December 2001, PineBridge Investments LLC has been registered with and regulated by the CFTC and NFA as a commodity trading advisor and a commodity pool operator. Registration number: 313266.
- **FINRA** in the US. PineBridge Securities LLC is registered as a broker-dealer with FINRA. PineBridge Securities LLC is the successor of an entity that was registered with FINRA on 15 October 1971. Registration number: 5967.
- **Financial Conduct Authority (“FCA”)** in the United Kingdom. PineBridge Investments Europe Limited is authorized and regulated by the Financial Conduct Authority to manage investments and advise on investments. It has been regulated in the UK since 1988. Registration number: 122531. PineBridge Investments Europe Limited was incorporated in England & Wales on 30 November 1987 (company registration number: 2200753).
- **Securities and Futures Commission (“SFC”)** in Hong Kong. PineBridge Investments Asia Limited is licensed by the SFC to carry on Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities in Hong Kong. It has been regulated in Hong Kong since 1988. Current Registration number: AAJ528.
- **Korea Financial Supervisory Service (“FSS”)** in Korea. PineBridge Investments Asia Limited is also licensed by the to provide Cross-Border Discretionary Investment Management (CB-DIM) and Cross-Border Investment Advisory (CB-IA) services to Qualified Professional Investors in Korea.
- **Monetary Authority of Singapore (“MAS”)** in Singapore. Since 1998, PineBridge Investments Singapore Limited has been regulated by the Monetary Authority of Singapore and holds a Capital Markets Services License under the Securities and Futures Act to conduct fund management activity and is an Exempt Financial Adviser under the Financial Advisers Act. License number: CMS000087.
- **Financial Services Agency (“FSA”)** in Japan. PineBridge Investments Japan Co., Ltd. is registered with the FSA to conduct investment management business in Japan. It has been regulated in Japan since 1987. It is also registered as a Type II Financial Instruments Business

Operator. The registration number is “Director-General of Kanto Local Finance Bureau (Kinsho) Registration No. 307”.

- **Central Bank of Ireland (“CBI”)** in Ireland. PineBridge Investments Ireland Limited (“PineBridge Ireland”) was first incorporated on 25 May 1989. PineBridge Ireland is authorized and regulated by the CBI to manage UCITS and other collective investment undertakings authorized in Ireland. PineBridge Ireland was authorized on 2 October 1996. Registration number: C20828.
- **Securities Commission Malaysia (“SC”)** in Malaysia. PineBridge Investments Malaysia Sdn Bhd is registered with the Securities Commission in Malaysia to conduct portfolio management. Registered on 9 December 1996, Licence No. CMSL/A0076/2007.
- **Bundesanstalt für Finanzdienstleistungsaufsicht (“BaFin”)** in Germany. PineBridge Investments Deutschland GmbH is registered with BaFin to conduct investment services brokerage. Registered on 28 January 2019. License Number: 151889.
- **Securities & Futures Bureau under Financial Supervisory Commission (“SFB”)** in Taiwan. PineBridge is licensed in Taiwan for (i) Securities investment trust business, (ii) Discretionary investment services, (iii) Security-investing Advices and (iv) Other services as approved by the Financial Supervisory Commission. It has been regulated in Taiwan since 21 March 1997. Current registration number: 108 FSC Tou-Hsin-Hsin No. 001.

### **Fund General Partners**

Affiliates of PBI LLC serve as the general partners (or, as applicable, managing members) of certain Private Investment Funds (the “Fund general partners”). Any persons acting on behalf of any of the Fund general partners are subject to the supervision and control of PBI LLC in connection with any investment advisory activities. In accordance with SEC staff guidance, the Fund general partners are registered as investment advisers in reliance on the Form ADV filed by PBI LLC.

### **Outsourcing to Third Parties**

From time to time, PBI LLC is authorized to outsource to third parties certain processes or functions related to a variety of services provided to its Clients in administrative or other capacities. Such outsourcing could give rise to conflicts of interest. In order to mitigate such conflicts, PBI LLC has adopted a Third Party Oversight Policy which requires PBI LLC to oversee certain activities performed by third parties that relate to PBI LLC’s investment adviser business. The Third Party Oversight Policy requires due diligence to be performed prior to engaging with the third party, as well as ongoing due diligence on a risk assessed basis after contracting with a third party.

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

The Firm has adopted a Code of Ethics (the “Code”), which applies to all employees who are “Access Persons,” as defined in Rule 204A-1 under the Advisers Act. The Code is designed to help detect and prevent conflicts of interest and fraudulent practices. The PBI LLC Board of Directors has approved the Code and approves any material amendments. In accordance with Rule 204A-1, the Code:

- (i) describes the fiduciary duty Access Persons have to the Firm’s Investors;
- (ii) requires Access Persons to comply with federal securities laws;
- (iii) requires Access Persons to report, and for PBI LLC or its affiliates to review, Access Persons’ personal investment transactions and holdings;
- (iv) requires Access Persons to report any violations of the Code to Compliance; and
- (v) requires PBI LLC or its affiliates to provide each Access Person with a copy of the Code and any amendments, and requires Access Persons to acknowledge their receipt of the Code.

The Code includes policies designed to minimize potential conflicts of interest between Access Persons’ personal activities and those undertaken PBI LLC. Topics covered by the Code include, but are not limited to, gifts and entertainment, political contributions, outside business activities, the treatment of material non-public information, and personal securities transactions.

PBI LLC permits Access Persons to engage in personal securities transactions; however, there are policies in place to address potential conflicts of interest when Access Persons buy or sell securities also bought or sold for Investors. Personal securities transactions by an Access Person could raise a potential conflict of interest when an Access Person trades in a security that is considered for purchase or sale by an Investor or recommended for purchase or sale by an Access Person to an Investor, in that the Access Person might be able to personally benefit from prior knowledge of transactions for an Investor by trading in a personal account.

Per the Code, there is a “Blackout Period” which subjects Access Persons to restrictive trading prohibitions when the Access Person or the Firm is also trading in the security for Investors. Under the Code, Access Persons must submit initial and annual reports of all applicable brokerage accounts and holdings, as well as duplicate trade execution confirmations and statements. In addition, Access Persons are required to pre-clear non-exempt securities transactions (as defined in the Code) via procedures established to mitigate conflicts of interest; and not engage in short- term trading without an exemption. The purchase of equity securities in IPOs by Access Persons can create an appearance that such personnel have taken inappropriate advantage of their positions for personal benefit. Accordingly, Access Persons who are investment personnel are prohibited from purchasing securities in an IPO. All other Access Persons must obtain pre-clearance from Compliance prior to participating in an IPO. Failure to abide by the Code could result in sanctions, including termination.

It is possible that PBI LLC and PineBridge Affiliates recommend securities of companies in which a related person of PBI LLC has a direct or indirect interest or other financial interest not otherwise known to the Firm. In addition, PBI LLC or its affiliates could, from time to time, recommend to its Investors affiliated products for which PBI LLC or its affiliates act as an investment adviser. In the case of recommending affiliated products to its Investors, PBI LLC or its affiliates shall, prior to the investment, disclose to such Investor (by providing the Investor with a copy of the current offering materials relating to such product) the nature of the Firm’s (or its affiliate’s) relationship with such product and the fee which PBI LLC or such affiliate will receive as a result of such Investor’s subscription to such product. In addition, PBI LLC maintains certain compliance policies as well as the Code, which address activities that can raise conflicts.

PBI LLC can affect or recommend transactions to or on behalf of its Investors in which Investor securities are sold to or bought from PBI LLC, or an affiliate acting as principal. To the extent that PBI LLC enters into transactions with affiliates on behalf of an Investor, the terms of such transactions will be on terms that are no less favorable to the Investor than would be obtained on an arms’ length basis and in accordance with applicable legal or other requirements. If PBI LLC determines it is required to seek the consent of the Investor under the Advisers Act or otherwise in connection with the transaction, PBI LLC

will obtain the necessary consent prior to the completion of such transaction, as outlined in the respective Investor documentation.

PineBridge affiliates, officers, directors, and employees of PBI LLC and such affiliates could engage, at or about the same time, in transactions or cause or advise other Investors to engage in transactions, which can differ from or be identical to transactions engaged by Investor portfolios. Alternatively, PineBridge affiliates, officers, directors, and employees of PBI LLC and such affiliates could recommend any transaction which any such affiliates or any of the officers, directors, or employees of PBI LLC or such affiliates could engage in for their own accounts or the account of any other Investor, except as otherwise required by applicable law and subject to PBI LLC's personal trading policy in the Code. Related persons of PBI LLC routinely purchase and sell securities that, in due course, PBI LLC also recommends to its Investors, subject to applicable law and PBI LLC's personal trading policy.

Under certain circumstances, conflicts can arise in cases where different Investors invest in different parts of a single issuer's capital structure, including circumstances in which one or more Investors could own private securities or obligations of an issuer and other Investors could own public securities of the same issuer. Such conflicts of interest will be discussed and resolved on a case-by-case basis and will take into consideration the interest of the relevant Investors, the circumstances giving rise to the conflict, and applicable regulations. Policies described here, and elsewhere in this document, including descriptions of the Allocation Policies, seek to mitigate these potential conflicts of interest. There can be no assurance, however, that all conflicts have been addressed in all situations.

A copy of the Code can be obtained by any Client, or prospective / current Investor upon request.

## Item 12 - Brokerage Practices

### Selecting Brokerage Firms

In selecting brokerage firms for the execution of trades and reasonableness of their compensation, the investment and/or trading teams will consider the full range and quality of the broker-dealer's services and can take into consideration, among other things, the following factors:

- (i) General considerations such as price limitations, the nature of the security being traded, the size of the transaction, the nature and character of the markets for the security, the desired timing of the trade, the difficulty of the trade, and pertinent market information that could impact the price of the security;
- (ii) Responsiveness to PBI LLC and the quality of previous execution services;
- (iii) Level of trading and execution expertise, including the broker-dealer's ability to:
  - a. minimize the number of incomplete trades;
  - b. execute trades quickly;
  - c. search for and obtain liquidity to minimize market impact and accommodate unusual market conditions;
  - d. execute unique trading strategies;
  - e. execute and settle difficult trades;
  - f. respond during volatile market periods;
  - g. maintain the anonymity of an investment manager;
  - h. maximize the opportunities for price improvement;
  - i. reimburse the portfolio for its trade errors and correct them in a satisfactory manner; and/or
  - j. engage in after-hours and cross-border trading.
- (iv) Adequacy of the infrastructure and technology, including access to a trading system characterized by efficient order-entry systems, adequate lines of communication, timely order execution reports, an efficient and accurate clearance and settlement process, and capacity to accommodate unusual trading volume;
- (v) Financial condition and stability, including ability to maintain and commit adequate capital when necessary to complete trades;
- (vi) Ability to provide services to accommodate special transaction needs, including ability to implement step-outs and execute for Client-directed brokerage arrangements and soft dollar arrangements, participate in underwriting syndicates, and obtain IPO shares;
- (vii) Ability to provide the following information or services among others and as applicable:
  - a. general communication with PBI LLC and information flow on securities;
  - b. suggestions that improve the quality of trade executions;
  - c. proprietary or third-party research;
  - d. access to research analysts; and/or
  - e. access to broker-dealer staff.

Factors that are not considered by investment and/or trading teams when selecting brokerage firms for the execution of trades include:

- (i) sale of interests in any PineBridge sponsored Fund;
- (ii) placement of any PineBridge Fund or product;
- (iii) personal relationships with employees of the brokerage firm; and/or
- (iv) gifts and entertainment received from the brokerage firm.

PBI LLC does not adhere to any rigid formulas for selecting brokers but weighs a combination of the preceding criteria. The Firm seeks best execution in transactions for its Investors and will direct brokerage to firms providing research products and services on that basis. In recognition of the value of products and services provided by a broker, PBI LLC can affect securities transactions, which cause the Investor to pay the broker an amount of commission, through soft dollars, in excess of the amount of commission another broker would have charged, for execution only.



With respect to CLO Investors, the loans and other assets bought and sold on behalf of an Investor typically trade at a bid / ask spread and without an explicit brokerage charge. While the Investor does not pay commissions or other formal trading expenses of the sort associated with more traditional equity market transactions, the Investor bears the implicit trading costs reflected in these spreads.

### **Research and Soft Dollars**

PBI LLC uses brokerage commissions aiming to provide its Investors with the best possible combination of best execution and high-quality research. This research is paid for by paying a portion of brokerage commissions to certain brokers who provide research related products and services that benefit Investors. When PBI LLC pays a broker more than is required to execute a trade, it is doing so in order to obtain research services that benefit the Investors. It is possible that such a trade could be executed at a lower commission rate with a different broker. Use of Investor commissions to receive products and services will be done in accordance with the “safe harbor” provided by Section 28(e) of the Exchange Act.

PBI LLC does not solicit competitive bids and does not have an obligation to seek the lowest transaction cost.

In some instances, PBI LLC receives products and services that could be used for both research and non-research purposes. In such instances, PBI LLC will make a good faith effort to determine the relative proportion of the products and services used for research purposes and the relative proportion used for non-research purposes. The proportion of the products and services attributable to research purposes will be paid through brokerage commissions generated by Investor transactions. The proportion attributable to non-research purposes will be paid for by PBI LLC.

Products and services can be used by PBI LLC or its affiliates for themselves and/or in servicing some or all of their Investors. In addition, some products and services might not necessarily be used by an Investor even though its commission dollars (or other transaction charges) could have helped pay for the products and services. An investor, therefore, might not, in any particular instance, be the direct or indirect beneficiary of the products or services paid for with its commission dollars.

Although some Investors do not generate commission credits used to acquire research under Section 28(e) (e.g., fixed income strategy Investors), Firm investment personnel providing services to those Investors, and, by extension, those Investors benefit from the research and third-party research services acquired through commissions generated by other Investors’ transactions. Conversely, Investors who generate commission credits used to acquire research under Section 28(e), would not necessarily benefit from all of the research and third-party research services acquired through such commission credits.

The Firm is not able to trace the commissions generated by a particular Investor’s account to the acquisition of a particular research service, but the Firm believes that its Investors as a whole benefit when its investment personnel have access to these services. Certain Investors, for regulatory or other reasons, do not allow their commissions to create credits for the acquisition of research or third-party research services but could ultimately benefit from research and third-party research services acquired through commission credits generated through other Investors’ transactions. Similarly, beginning in 2018, Investors of PBI LLC’s advisory affiliates that are regulated by the EU’s Markets in Financial Instruments Directive (“MiFID”) and certain Clients of PBI LLC that are domiciled in jurisdictions regulated by MiFID did not pay commission that generate Section 28(e) research credits with brokers. Instead, PBI LLC’s advisory affiliates in those jurisdictions pay for broker research out of their own resources. Investors of PBI LLC whose transactions are not subject to MiFID’s research rules continue to pay commissions to brokers to acquire research and third-party research services under Section 28(e).

The relationships with brokerage firms that provide services to PBI LLC in exchange for commission payments could influence the Firm’s judgment in allocating brokerage business and create a conflict of interest, whereby PBI LLC could be inclined to do business with brokers for their research rather than best execution for the Firm’s Investors.

In order to address this conflict of interest, PBI LLC has a formal procedure in place for the initial approval of a soft dollar / commission arrangement, as well as procedures in place for ongoing monitoring. Strategies are monitored in terms of year-to-date commission rates paid. Each strategy is also periodically compared to peers to ensure that targets are in line with peers. The Firm has also adopted a Best Execution Policy, which states that PBI LLC will seek to obtain the most favorable terms for each transaction reasonably available under the circumstances, subject to any limitations placed by an Investor on the Firm's discretion to choose executing brokerage firms. The Best Execution Policy provides additional assurance that conflicts of interest posed by soft dollar arrangements are monitored.

When PBI LLC uses Investor brokerage commissions (or markups or markdowns) to obtain research or other products or services, PBI LLC receives a benefit because the Firm does not have to produce or pay for the research, products, or services.

PBI LLC could have an incentive to select or recommend a brokerage firm based on interest in receiving the research, or other products or services, rather than on Investors' interest in receiving most favorable execution.

PBI LLC can cause Investors to pay commissions (or markups or markdowns) higher than those charged by other brokerage firms in return for soft dollar benefits (known as "paying-up").

Research-related products and services can include:

- (i) clearance, settlement;
- (ii) on-line pricing and financial information;
- (iii) economic and market information (both written and oral);
- (iv) independent research;
- (v) technical data;
- (vi) economic; and/or
- (vii) political and financial studies.

Examples of providers of these services include Bloomberg, FactSet, Morningstar Direct, and Options Directed Brokerage

PBI LLC does not routinely recommend, request, or require that an Investor direct PBI LLC execute transactions through a specified brokerage firm.

The Firm permits certain Investors to direct brokerage. In the event an Investor directs the Firm to use a particular brokerage firm, it should be understood that under those circumstances accounts subject to directed brokerage arrangements ("directed portfolios") will forgo any benefit from savings on execution costs that PBI LLC could obtain by negotiating volume commission discounts on aggregated orders. Additionally, directed portfolios can pay higher commission rates than the commission rates paid by non-directed portfolios. Generally, the Firm would place and/or execute directed trades after it has placed blocked or aggregated trades. Under these circumstances, a disparity in execution quantity, price, and commission charges can exist with respect to those of other Investors. In addition, an Investor who directs PBI LLC to use a specific brokerage firm might not be able to participate in an allocation of shares of a new issue if those shares are sold only by another broker, and when PBI LLC buys over-the-counter securities directly from brokers that are market makers in such securities, such Investor could be charged a commission in addition to any other transactional charge for such securities. PBI LLC could also have a potential conflict of interest if the directed broker has referred the Investor or other Investors to PBI LLC.

PBI LLC might be unable to achieve most favorable execution of Investor transactions in directed brokerage arrangements and directing brokerage could cost Investors more money. For example, when an Investor directs the Firm to use a particular brokerage firm, the Investor could pay higher brokerage commissions because PBI LLC might not be able to aggregate orders to reduce transaction costs, or the Investor could receive less favorable prices.

## **Order Aggregation**

PBI LLC could purchase or sell the same security for all Investors that are eligible to buy or sell the security under each of their applicable objectives. Eligibility depends on various factors, including but not limited to:

- (i) the size of the accounts;
- (ii) cash availability in each account and each account's investment restrictions;
- (iii) investment strategies; and/or
- (iv) appetite for risk.

To the extent permitted by law, the Firm is authorized to bunch or aggregate orders for several Investors. All portfolios participating in an aggregated trade must receive / pay the same price and must share in the aggregate transaction costs relating to the aggregated trade, proportionate with their respective allocations.

## **Trade Allocation**

It is the policy of PBI LLC to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including IPOs or other new issue and other investment opportunities that might have a limited supply, among its Investors on a fair and equitable basis over time. No Investor or group of Investors, regardless of affiliation, receives preferential treatment in connection with investment opportunities. The Firm's fiduciary duty, including the equitable treatment of clients, is the underpinning of the Allocation Policies.

PBI LLC Investors have a broad range of investment objectives and risk tolerances. They can also have any number of accounting, regulatory, liquidity, or other limitations or goals that influence the optimal composition of their respective investment portfolios. Therefore, a number of factors could influence an allocation decision. These factors include, but are not limited to:

- (i) existing portfolio composition and applicable sector weightings;
- (ii) the desire to bring a portfolio up to a target exposure level;
- (iii) cash limitations or excess cash, or an expectation of limitations or excess cash;
- (iv) portfolio-specific investment restrictions or guidelines;
- (v) specific overriding client instructions;
- (vi) foreign regulations;
- (vii) foreign market settlement practices (e.g., certain countries could prohibit trade aggregation);
- (viii) trading inefficiencies (including order size) created by trade aggregation; and/or
- (ix) accounting, regulatory, or compliance-related issues (e.g., restricted securities, Section 16 limitations, Investment Company Act limitations).

Accordingly, in lieu of employing a compulsory pro rata allocation based on the relative market values of participating portfolios for every batch trade, the portfolio manager could submit an allocation plan with each batch trade order submitted to the trading desk.

The purpose of the allocation plan is to determine, in advance of the trade, how purchases and sales are to be allocated among specified portfolios and in what percentages any partially filled order will be allocated among those portfolios.

## **Cross Trades**

In certain circumstances, PBI LLC could (but is not required to) purchase and sell a security between two or more Investors (a practice known as "cross trading"). PineBridge could also purchase and sell a security between a PineBridge Investor and an Investor of a PineBridge affiliated entity. PBI LLC will affect these purchases and sales between Investors only if it believes such transactions are appropriate based on each Investors' investment objectives, subject to applicable law and regulation. Cross trades for

an Investor subject to ERISA requirements are made in accordance with applicable Department of Labor requirements. PBI LLC seeks to assure that the price paid, or proceeds received by Investors in a cross trade is fair and appropriate to both parties. Where a U.S. registered fund Client participates in a cross trade, the Firm will comply with procedures adopted pursuant to Rule 17a-7 under the Investment Company Act. An inherent conflict of interest often exists when engaging in these types of transactions.

### **Trade Error Policy**

PBI LLC implements trade reconciliation and confirmation procedures intended to prevent trade errors. As soon as possible, after an error has been discovered, Compliance conducts a full review of the facts and recommends appropriate action. Corrective actions are based on the facts and circumstances of each error on a case-by-case basis. With respect to Fixed Income, Asset Allocation, and Public Equity, if an error occurs and the Investor is disadvantaged, PBI LLC takes appropriate remedial steps to bring the Investor back to the position it was in prior to the trade error.

### **Step Outs**

Unless inconsistent with the duty to seek best execution, PBI LLC could, on occasion, instruct the executing broker to credit a portion of an aggregated trade to another brokerage firm that provides brokerage or research related services to PBI LLC, a common practice known as a "Step Out." Generally, this can occur when numerous allocations are aggregated into one single trade order, whereas one or more of the Investors participating in the block could have placed trade directions to one or more brokers other than the executing broker. A Step Out, in this case, allows the Firm's traders to aggregate a trade order where all participating allocations receive the same price and facilitates specific Investor direction to trade with a specified broker(s). PBI LLC could also use Step Out transactions for regulatory or other purposes. It is unlikely that an Investor would be disadvantaged by means of a Step Out.

## **Item 13 - Review of Accounts**

### **Periodic Reviews**

Firm portfolio managers have overall responsibility for the Investor accounts they manage and monitor them on an on-going basis. Investor accounts are reviewed against a benchmark or against other accounts in the same strategy where relevant and appropriate. Reviews are conducted to monitor portfolio performance and ensure that each account conforms to guidelines established by the governing documents or other agreements between PBI LLC and each Investor, as applicable. In addition, on an annual basis, Compliance reviews a targeted sample of active Investor portfolios to verify that each investment restriction and/or guideline in an Investor's governing documentation is accurately reflected in the Firm's order management system.

### **Review Triggers**

In addition to the above reviews, additional Investor account reviews may be triggered by a number of factors, including, but not limited to:

- (i) significant shifts in the market;
- (ii) account terminations or accounts winding down;
- (iii) on-boarding an account;
- (iv) change in the applicable account guidelines;
- (v) Investor requests for review; and/or
- (vi) a change in the Firm's processes or strategies.

### **Regular Reports**

In general, PBI LLC provides written Investor reports on a monthly and/or quarterly basis. The reports generally contain evaluations of the Investor and general economic conditions which, in the opinion of PBI LLC, impact such Investor and can include the following information:

- (i) for each investment on the valuation date;
- (ii) the number of units held;
- (iii) the value of such units, and a comparison of such information with the information contained in the previous statement;
- (iv) details of transactions undertaken since the previous statement;
- (v) basis of the valuations of investment; and/or
- (vi) exchange rates used, where applicable.

Limited partners and shareholders in Private Investment Funds generally receive written reports per the reporting timeline outlined in the respective Fund's governing documents.

With respect to its CLO Investors, the trustee of each CLO provides Investors with monthly and quarterly written reports as described in the CLO documents. PBI LLC could also furnish reports to the trustees of the CLOs.

For each CLO, the CLO's trustee prepares schedules of fees and expenses, distributions, and dividends (the "priority of payment waterfalls"), which are reviewed and agreed to by PBI LLC. The CLO trustee reports also typically information regarding performance and compliance with investment guidelines in the relevant Investor's CLO documents, including any investment restrictions and other tests, such as detailed coverage tests, portfolio profile tests, and/or collateral quality tests.

## **Item 14 - Promoters and Other Compensation**

### **Economic Benefits**

From time to time, PBI LLC or PineBridge Affiliates could receive cash payments, stock options, or other benefits (collectively, remuneration) from privately held companies as a result of officers, directors, or employees of the Firm or an affiliate serving on the board of directors of such companies, or for providing consulting, solicitation, or related services to such companies. PBI LLC and/or PineBridge Affiliates could take fees from third parties for services provided by the Firm and/or PineBridge Affiliates to such third parties relating to a transaction, in which an Investor has participated, or a security or portfolio of securities in which an Investor is invested, in all cases except as otherwise limited by applicable law. In addition, PBI LLC or PineBridge Affiliates could serve as general partner or investment manager for a Fund that invest in such companies, and could, when it believes that it is suitable and appropriate for an Investor, advise the Investor to invest in (or, in cases where it has investment discretion, invest the Investor in) such Funds that in turn invest in the companies from which it would receive remuneration.

To offset the benefit of such remuneration to PBI LLC or PineBridge Affiliates, in certain instances a portion of the management fee charged with respect to such Funds would be offset by an amount equal to or less than the amount of the remuneration received by PBI LLC and PineBridge Affiliates. There could be a conflict that PBI LLC or PineBridge Affiliates would have a financial incentive to invest Investor assets, directly or indirectly, in a manner which benefits PBI LLC or PineBridge Affiliates, including by investing in companies from which they receive remuneration. To mitigate this conflict, it is the policy of PBI LLC to invest Investor assets only in securities and other portfolio assets that it determines are in the Investor's best interest.

Refer to the "Code of Ethics" section of this Brochure for additional details regarding conflicts of interest.

For information related to soft dollars, refer to the "Brokerage Practices" section within this Brochure.

### **Third Party Promoters**

PBI LLC is authorized to enter into compensation arrangements with promoters for new business, pursuant to which persons introducing new Investors to the Firm could receive a portion of the advisory fee generated by the Investor and/or a flat fee for a period of time that varies on a case-by-case basis. Any promoter arrangements will comply with applicable laws and regulations.

Employees of PBI LLC are expected to periodically participate and/or attend conferences sponsored by industry consultants. PBI LLC will act at all times in an Investor's best interest, considering such factors as suitability. In the event that an Investor is obtained through a consultant to which the Firm has provided either compensation for such conferences or for which the Firm's personnel have participated in such conferences, PBI LLC will disclose such relationship to the Investor upon request.

### **Item 15 - Custody**

Under Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), PBI LLC has custody of the assets contained in the portfolios of certain Private Investment Funds, because PBI LLC or an affiliate serves as the general partner of, or in a similar capacity for, the Private Investment Fund. Accordingly, PBI LLC is subject to the relevant provisions of the Custody Rule. Fund Investors do not receive account statements from the custodian; rather, the pertinent Fund is subject to an annual audit and the audited financial statements are distributed to each applicable Investor within the required time period. Investors should contact PBI LLC if they fail to receive audited financials on a timely basis or if they have any questions about the audited financials.

## **Item 16 - Investment Discretion**

### **Discretionary Authority for Trading**

PBI LLC provides both discretionary and non-discretionary investment advisory services to Investors. The governing documents established with each Investor outlines the discretionary authority for trading. Where investment discretion has been granted, the Firm generally manages the Investor account and makes investment decisions without consultation with the applicable Investor as to:

- (i) what securities to buy or sell;
- (ii) when the securities are to be bought or sold;
- (iii) the total amount of the securities to be bought/sold;
- (iv) the brokerage firms with whom orders for the purchase or sale of securities are placed for execution;
- (v) the price per share; and/or
- (vi) the commission rates at which securities transactions are affected.

In some instances, the Firm's discretionary authority in making these determinations can be limited by conditions imposed by an Investor (in investment guidelines or objectives, or Investor instructions otherwise provided to PBI LLC).



## Item 17 - Voting Client Securities

### Proxy Voting

Through applicable governing documents, Investors could give the Firm authority to vote proxies relating to their respective securities. Consistent with applicable rules under the Advisers Act, the Firm has adopted and implemented written proxy voting policies and procedures that are reasonably designed to ensure that proxies are voted, consistent with its fiduciary obligations. PBI LLC has a fiduciary obligation, for those Investors for whom it has voting authority, to make the best interests of such Investors the sole consideration when voting proxies of their portfolio companies. The Firm has established specific voting procedures and has engaged a proxy voting administrator to assist in the execution of those procedures on its behalf. PBI LLC votes (or refrains from voting) proxies with respect to securities it manages, on an Investor-by-Investor basis, ensuring that all reasonable steps have been taken to vote in an Investor's best interest and to avoid acting on any conflicts that can arise between the Firm and an Investor. In the case of a material conflict of interest between the Firm and an Investor, the Firm consults with counsel and resolves conflicts in the Investor's best interest. When votes are cast in accordance with PBI LLC's proxy voting policies and procedures and in a manner PBI LLC believes to be consistent with its fiduciary obligations, actual proxy voting decisions made on behalf of one Investor could have the effect of favoring or harming the interests of another Investor.

During the Investor on-boarding process, Investors have two options as relates to responsibility of proxy voting, as applicable:

- (i) the option to choose to have sole responsibility of voting their own proxies, and thereby prohibiting PBI LLC from voting proxies on that Investor's behalf; or
- (ii) elect PBI LLC to vote proxies on the Investors' behalf.

There is no option available to applicable Investors where Investors have the ability to choose to direct PBI LLC's vote in a particular solicitation.

When exercising voting rights, the Firm will generally vote on specific proxy issues in accordance with its proxy voting guidelines. The Firm has established a "Stewardship Committee," consisting of senior PBI LLC personnel, who maintain the proxy voting guidelines, policies, and procedures, and are responsible for the review and approval of amendments to the proxy guidelines, policies, and procedures. The Firm also considers its commitment to various ESG principles as it pertains to exercising its fiduciary duties when voting proxies.

In certain markets, proxy voting involves logistical issues, which can affect the Firm's ability to vote such proxies, as well as the desirability to vote such proxies. These issues include, but are not limited to:

- (i) untimely notice of shareholder meetings;
- (ii) restrictions on a foreign investor's ability to exercise votes;
- (iii) requirements to vote proxies in person;
- (iv) potential difficulties in translating proxy; and/or
- (v) requirements to provide local agents with unrestricted powers of attorney to facilitate voting instructions.

Another logistical issue that could arise is "share blocking," where Investors who exercise their own Investor voting rights surrender the right to dispose of their holdings for some specified period in proximity to the shareholder meeting.

Due to the aforementioned potential logistical issues, the Firm votes proxies on a "best efforts" basis, which might include not voting proxies of companies in certain countries if the costs (such as opportunity costs related to share blocking constraints) associated with exercising a vote outweigh the benefit an Investor will gain by voting.

Each proxy statement received, and any corresponding vote cast is retained on behalf of a Firm's Investor.

*Voting on Behalf of Investors Holding Loans and Other Fixed Income Interests.* Fixed income instruments generally do not solicit proxy votes from interest holders. However, such interests could, from time to time, grant other voting rights or solicit consents. In these cases, PBI LLC could be called upon to, for example, provide (or withhold) consent to proposed modifications to loan terms and covenants. To the extent that an Investor grants PBI LLC authority to act in these circumstances, PBI LLC will seek to make consent decisions in a manner consistent with the best interest of the applicable Investor with the general objective of seeking to maximize long-term investment returns for the Investor, subject to the Investor's governing documents. In some cases, PBI LLC could determine that refraining from exercising a consent is appropriate in light of this standard.

The existence of certain conflicts of interest or other circumstances, such as those described below, could result in PBI LLC exercising consents in a manner that is not consistent with the standard of maximizing long-term investment returns with respect to an Investor. Conflicts of interest with regard to PBI LLC's decision to exercise or withhold consents currently exist and can arise under a wide range of scenarios. For example, PBI LLC faces conflicts of interest in making a consent decision as to a loan where the Firm has a business relationship with or interests in the obligor, a related sponsor, or another party with an interest in the outcome of a consent request.

In addition, conflicts exist where one or more Investors hold or acquire interests in an obligor that are of a different class than, are junior or senior to, or otherwise have different rights than interests in the same obligor that are held by one or more other Investors. In these situations, the interests of one or more Investor could diverge from those of other Investors with respect to the voting of proxies or exercise of consent rights to the extent the different rights and features of the interests held by one or more Investors creates an interest in obtaining an outcome that is contrary to the interests of others.

Conflicts also can arise if a senior executive of, or other person connected with the obligor or another party with an interest in the outcome of a consent request, has a significant relationship with Firm or its personnel. PBI LLC also faces conflicts of interest to the extent that an Investor holds securities and is called upon to exercise rights under those securities where the outcome of the exercise of such rights could benefit the Firm or an affiliate or operate to the detriment of other holders of the securities, including another Investor. Investors should understand that PBI LLC can exercise its rights under any securities in which its Investor holds an interest in such a manner as PBI LLC determines to be in the Investor's best interest (which could be contrary to the interests of other investors in the issuer), except to the extent limited by the relevant documents.

PBI LLC makes consent decisions on behalf of an Investor holding fixed income instruments in accordance with policies and procedures that are reasonably designed such that these decisions are made in a manner consistent with its fiduciary duties. Firm portfolio managers are generally responsible for identifying consent solicitations and for making decisions as to the exercise of consents. Prior to exercising a consent, a determination is made as to whether there is a material conflict of interest. In the event that a material conflict of interest is identified, PBI LLC will take such steps as it believes to be necessary in order to determine how to exercise the related consent right in good faith and in accordance with PBI LLC's fiduciary duties, which could include, but are not limited to consulting internally with investment professionals, risk management professionals, business unit heads, Compliance and/or the Firm's legal department, as appropriate under the particular circumstances.

Investors can obtain, without charge, a record of votes and/or a copy of the proxy voting or other relevant policies and procedures or information regarding how PBI LLC exercised voting or consent rights on their behalf by requesting such information at (646) 857-8000 or contacting their client service representative.

## **Item 18 - Financial Information**

### **Prepayment of Fees**

PBI LLC does not require or solicit prepayment of more than \$1,200 in fees per Investor, six months or more in advance, and therefore this section is not applicable.

### **Financial Condition**

PBI LLC does not have any financial conditions that would impair its ability to meet its Investors' contractual commitments.

### **Bankruptcy**

PBI LLC has not been the subject of a bankruptcy petition at any time.