

FORM ADV PART 2A

1988 Asset Management, LLC

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This brochure provides information about the qualifications and business practices of 1988 Asset Management, LLC (“1988 Asset Management” or the “Firm”). If you have any questions about this brochure please contact the Firm at (212) 888-3413 or compliance@muzinich.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authorities. The Firm may refer to itself as, a “registered investment adviser.” Registration with the SEC or with any state securities authority does not imply a certain level of skill or training. Additional information about 1988 Asset Management is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

This Item 2 discusses only material changes that have been made to this Form ADV Part 2A (“Brochure”) since the Firm’s initial filing. The following material changes were made since the Initial Filing dated May 27, 2022:

Item No.	Description of Material Changes
8	Updated to expand and refine certain material risks of investment strategies. Added risk disclosure regarding liquidity risk of investments in private companies
10	Updated disclosure regarding one related person of the Firm, Muzinich & Co. SGR S.p.A. Added one wholly owned Luxembourg entity of Muzinich & Co. Limited: Muzinich Pan-European Private Debt III General Partner, S.à r.l.
17	Added language regarding situations where the Firm may chose not to vote proxies

IMPORTANT NOTE ABOUT THIS BROCHURE

This Brochure is not:

- **an offer or agreement to provide advisory services to any person**
- **an offer to sell interests (or a solicitation of an offer to purchase interests) in any collateralized loan obligation vehicle (“CLO”) or portfolio**
- **a complete discussion of the features, risks or conflicts associated with any collateralized loan obligation vehicle or portfolio**

As required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), the Firm provides this Brochure to current and prospective clients of the Firm and, in its discretion, also provides this Brochure to current or prospective investors in a CLO managed by the Firm, together with the confidential offering memorandum, indenture, collateral management agreement, and/or other relevant documents relating to an investment in a CLO (collectively, the “Governing Documents”). Additionally, this Brochure is available through the SEC’s Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of the Firm, persons who receive this Brochure (whether or not from the Firm) should be aware that it is designed solely to provide information about the Firm as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure is general in nature and therefore is qualified in its entirety and could differ from information provided in the Governing Documents in respect of the applicable CLO. More complete information is included in relevant Governing Documents, certain of which can be provided to current and eligible prospective investors only by the Firm and/or distributors of certain CLOs managed by 1988 Asset Management. To the extent that there is any conflict between discussions herein and similar or related discussions in any Governing Documents, the relevant Governing Documents shall govern and control.

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ITEM 4: ADVISORY BUSINESS

a) Background

1988 Asset Management, LLC (“1988 Asset Management” or the “Firm”) is a Delaware limited liability company established on February 23, 2022. 1988 Asset Management is a wholly owned subsidiary and related adviser of Muzinich & Co., Inc. (“Muzinich”). Muzinich is a global institutional asset manager specializing in corporate credit investment portfolios and other credit-based investment strategies. Each of Muzinich and 1988 Asset Management is an SEC registered investment adviser. Registration with the SEC does not imply a certain level of skill or training. Muzinich has been offering investment advisory services since 1988. George M. Muzinich is the founder and Executive Chairman and is the principal owner of Muzinich. The term “Muzinich Group” means, collectively, Muzinich, 1988 Asset Management and their affiliates, as outlined in Item 10 – Other Financial Industry Activities and Affiliates. A client of 1988 Asset Management (as discussed in subsection b below) is referred to herein as a “1988 Asset Management CLO” or “Client.” A client of the Muzinich Group (as discussed in subsection b below), including, for avoidance of doubt, a 1988 Asset Management CLO, is referred to herein as a “Muzinich Group Client.”

b) Advisory Services

1988 Asset Management provides discretionary investment advisory services as a collateral manager to one or more collateralized loan obligation vehicles (“CLOs”). 1988 Asset Management’s clients are generally pooled investment vehicles that are CLOs that invest principally in U.S. dollar-denominated senior secured loans. However, the Firm could also invest in other loan types including but not limited to, second lien loans, unsecured term loans, bridge loans, delayed draw term loans, debtor-in-possession (DIP) loans, revolving loans and letter of credit facilities, notes, high yield bonds, and bonds with attached warrants. 1988 Asset Management also implements and manages CLOs that are in the warehousing phase, warehouses or similar facilities established in anticipation of the launch of a CLO (collectively, “Warehouses”). See Item 8 – Methods of Analysis, Investment Strategy, and Risk of Loss, for a brief discussion of the Firm’s strategy.

For reference, the Muzinich Group provides discretionary investment advice and management, either directly or as a subadviser, to various onshore and offshore (i) investment funds, (ii) separately managed accounts, and (iii) CLOs. The Muzinich Group primarily advises on investments in corporate credit, primarily bonds and loans.

The Muzinich Group applies a research-intensive approach to investing in debt issued by corporate borrowers. The Muzinich Group applies fundamental financial and qualitative analysis to uncover opportunities to provide Muzinich Group Clients with yield and potential capital appreciation in a risk-aware framework. Some of the company factors the Muzinich Group evaluates include industry dynamics, company strengths and weaknesses, free cashflow generation, debt load, asset coverage, governance quality and skill, transparency of disclosure, regulatory constraints, outstanding controversies, and the quality of covenants and other protections offered investors.

From time to time 1988 Asset Management enters into arrangements with certain investors in 1988 Asset Management CLOs that grant such investors special or more favorable rights that are not available to all investors. Such special or more favorable rights could include, but are not limited to (i) different fee arrangements; (ii) additional reporting and/or greater access to certain information; and (iii) opportunities to meet or speak with 1988 Asset Management’s investment team. Moreover,

1988 Asset Management shares a portion of its fees with one or more investors in certain 1988 Asset Management CLOs.

c) Tailored Advice and Client-Imposed Restrictions

At inception of a 1988 Asset Management CLO, specific asset criteria (e.g., credit quality, diversification) are established, sometimes in negotiation with prospective 1988 Asset Management CLO investors. The Firm manages each 1988 Asset Management CLO subject to the powers, duties and limitations described in the collateral management agreement entered into between 1988 Asset Management and the 1988 Asset Management CLO and the indenture governing the 1988 Asset Management CLO. The investment objectives and strategy employed, and related restrictions, guidelines and risks associated with, an investment in a 1988 Asset Management CLO are described in the governing documents such as the confidential offering circular, indenture, collateral management agreement, and/or other relevant documents relating to an investment in a 1988 Asset Management CLO (collectively, the “Governing Documents”) which are made available to Clients and investors only through 1988 Asset Management or another authorized party for the applicable 1988 Asset Management CLO. Potential investors must consider whether a particular 1988 Asset Management CLO is appropriate to their own circumstances based on all relevant factors including, but not limited to, their own investment objectives, liquidity requirements, tax situation and risk tolerance. Prospective clients and investors are strongly encouraged to undertake appropriate due diligence, including but not limited to, a review of relevant Governing Documents and the additional details about 1988 Asset Management’s investment strategy, methods of analysis, and related risks in Item 8 – Methods of Analysis, Investment Strategy and Risk of Loss, before making an investment decision.

d) Wrap Fee Disclosure

Not applicable.

e) Assets Under Management

As of December 31, 2022, the Firm had \$443,781,317 in discretionary assets under management.

f) Risk Retention Compliance

Although not currently applicable to 1988 Asset Management, certain jurisdictions have imposed requirements on sponsors of a securitization transaction, such as a CLO, to retain a specified economic interest in the credit risk of the securitized assets (“Risk Retention Rules” and such interests the “Retention Interests”). Should it be necessary for 1988 Asset Management to comply with such requirements at any time, 1988 Asset Management or an affiliate of 1988 Asset Management will acquire and hold Retention Interests.

ITEM 5: FEES AND COMPENSATION

a) Compensation

As compensation for its service as the collateral manager of the 1988 Asset Management CLOs, the Firm generally receives a senior management fee, a subordinated management fee and a performance fee (collectively, the “Collateral Management Fees”). The senior management fee has a higher priority in a CLO’s priority of payment waterfalls whereas the subordinated management fee generally ranks below principal and interest payments to senior note holders in the payment waterfalls. 1988 Asset Management will earn a subordinated management fee if over-collateralization and interest coverage tests have been satisfied for all senior CLO note holders. Fees are calculated and paid by an independent trustee pursuant to the indenture governing each 1988 Asset Management CLO. Please consult the applicable 1988 Asset Management CLO’s Governing Documents for additional information regarding the fees in respect of such 1988 Asset Management CLO.

See Item 6 – Performance Based Fees and Side By Side Management for more information relating to performance-based fees and potential conflicts of interest.

In respect of a Client that is a Warehouse, 1988 Asset Management could also receive management fees payable as negotiated by 1988 Asset Management on a deal-by-deal basis and/or structuring fees or “warehouse success fees” (collectively, “Warehouse Fees”). Warehouse Fees could include fees similar to the management fees and performance fees described above, as well as certain fees negotiated in connection with a payoff of such Warehouse. Such fees shall be described in the transaction documents for a Warehouse.

1988 Asset Management shares a portion of its fees with one or more investors in certain 1988 Asset Management CLOs.

b) Billing

The senior management fees and subordinated management fees will typically be paid quarterly in arrear, in accordance with each 1988 Asset Management CLO’s Governing Documents. Performance fees will typically be paid later in a 1988 Asset Management CLO’s tenor if specific internal rates of return thresholds are achieved. Fees are calculated and paid by an independent trustee pursuant to the indenture governing each 1988 Asset Management CLO. Please consult each 1988 Asset Management CLO’s Governing Documents for additional information regarding such Collateral Management Fees.

c) Other Expenses

The payment of expenses by a 1988 Asset Management CLO will reduce the value of each 1988 Asset Management CLO’s investment.

1988 Asset Management CLOs are responsible for and do incur other expenses separate and apart from the Firm’s Collateral Management Fees discussed above, as provided in the Governing Document of each 1988 Asset Management CLO. Other fees and expenses borne by investors in 1988 Asset Management CLOs typically include, but may not be limited to: (i) fees, costs and expenses of

legal advisers, independent accountants, rating agencies, consultants, brokers and other professionals retained by a Client or by the Firm on behalf of a Client; (ii) any and all fees, expenses and other costs relating to the acquisition and disposition (whether or not consummated), management, maintenance, custody, monitoring, pricing, and administration of the underlying investments owned by a Client, including, without limitation, the reasonable expenses incurred by or on behalf of the Firm relating to any pricing and research data services retained by the Firm, compliance services and software, accounting, programming and data entry services, any review, waiver or amendment with respect to underlying investments and the reasonable travel and out-of-pocket costs and related expenses incurred in connection with the management of certain investments; (iii) expenses, including reasonable travel costs, in connection with the offering of the securities of such Client, ; (iv) expenses associated with participation on formal and informal creditor committees and any legal expenses incurred in connection therewith or otherwise to enforce a Client's rights in respect of any investment (e.g., expenses relating to reorganizations, restructurings and workouts); (v) any expenses incurred in connection with the organization and operation of vehicles formed to hold all or a portion of a Client's investments; (vi) fees and expenses incurred in connection with the reorganization, dissolution, winding-up or termination of a Client; (vii) all taxes, regulatory and governmental charges (not based on the income of the Firm); (viii) insurance premiums or expenses; (ix) any expenses related to compliance with regulatory requirements on behalf of a Client; (x) the costs of any investigation and/or litigation involving activities of a Client, and any judgments or settlements paid in connection therewith, and other extraordinary expenses; and (xi) as otherwise agreed upon by a Client and the Firm.

For more specific information regarding costs and expenses that are applicable to a 1988 Asset Management CLO, please refer to the Governing Documents for that Client.

For a more complete discussion of brokerage, selection of broker dealers, and transaction costs that could be incurred by Clients, see Item 12 – Brokerage Practices.

Throughout the course of carrying out its investment advisory activities, the Muzinich Group incurs expenses on behalf of one of more Clients and/or on behalf of the Muzinich Group and Muzinich Group Client(s) ("Common Expenses"). The Muzinich Group seeks to allocate Common Expenses in a fair and reasonable manner consistent with its fiduciary duties (e.g., pro rata, equal shares, or other appropriate methodology), notwithstanding its interest in the outcome. Common Expenses will generally be allocated among applicable Muzinich Group Clients and/or the Muzinich Group, when applicable, on a pro rata basis. It should be noted however that the Muzinich Group can deviate from pro rata allocation with respect to Common Expenses based on a variety of factors, including the nature or source of the Common Expense, the relative benefits derived by the Muzinich Group Clients from the product or service, or other relevant factors. Accordingly, the Muzinich Group could charge all or part of the expense to one or more Muzinich Group Clients. Clients and investors in a Client should refer to the Governing Documents pertaining to a particular Client for additional information regarding the allocation of expenses.

The Muzinich Group's determinations with respect to whether certain specific Common Expenses should be allocated fully to one or more Muzinich Group Clients or borne entirely by the Muzinich Group require subjective judgments. The Muzinich Group has a conflict of interest when making such judgments because the Muzinich Group will bear the costs of any expenses not allocated fully or partially to a Muzinich Group Client. In addition, the allocation of certain Common Expenses among multiple Muzinich Group Clients could affect the size or performance of, and therefore the fees or

performance compensation earned by the Muzinich Group with respect to, certain Muzinich Group Clients. Therefore, the Muzinich Group will generally have a conflict of interest when determining how to allocate expenses among such Muzinich Group Clients.

d) Advance Billing

With respect to the 1988 Asset Management CLOs, the senior management fee and subordinated management fee are generally paid by its trustee quarterly in arrear as reflected in the Governing Documents. Performance fees are typically paid later in the 1988 Asset Management CLOs' tenor by the trustee in arrear if specific internal rates of return thresholds are achieved. Please consult each 1988 Asset Management CLO's Governing Documents for additional information regarding such fees.

e) Sales-based Compensation

Neither 1988 Asset Management nor any of its supervised persons receives any sales-based compensation for the sale of securities or the sale of other investment products.

ITEM 6: PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT

As discussed above in Item 5 – Fees and Compensation, and consistent with the Advisers Act, 1988 Asset Management is entitled to receive performance-based compensation from the 1988 Asset Management CLOs. In addition, the Muzinich Group is entitled to receive performance-based compensation from certain other Muzinich Group Clients. Performance-based compensation creates an incentive for the Muzinich Group to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. Furthermore, the performance on which performance-based compensation is calculated could include unrealized appreciation and depreciation of investments that could ultimately not be realized. To the extent that the Muzinich Group receives only investment management fees from certain Muzinich Group Clients and investment management fees and performance-based fees from certain other Muzinich Group Clients, the Muzinich Group Clients with a performance-based fee will offer the Muzinich Group a potential for higher profitability when compared to a Muzinich Group Client with only an investment management fee. In addition, certain Muzinich Group Clients can have higher fees or more favorable performance-based compensation arrangements than other Muzinich Group Clients, including 1988 Asset Management CLOs.

Consequently, a conflict of interest exists because the Muzinich Group and/or its portfolio managers will have a greater incentive, in connection with the allocation of investment opportunities, to favor Muzinich Group Clients from whom the Muzinich Group receives higher management fees and/or performance-based compensation over other Muzinich Group Clients that pay lower fees, do not have performance-based compensation arrangements, and/or from whom the Muzinich Group receives less favorable performance-based compensation.

With respect to CLOs and Warehouses specifically, certain 1988 Asset Management CLOs that are Warehouses are not assessed fees until a milestone occurs (e.g., a CLO closing). Furthermore, the breach by a CLO and/or Warehouse of a portfolio test could negatively impact the Firm's compensation from a 1988 Asset Management CLO. The Firm is therefore incentivized to allocate investment opportunities in a manner that increases, accelerates or preserves the fees paid by 1988 Asset Management CLOs. As discussed in Item 12(e) – Brokerage Practices; Aggregation and Allocation of Trades below, in making allocation decisions with respect to 1988 Asset Management CLOs, the Firm can consider (i) the position of a CLO in relation to certain portfolio tests, and (ii) whether the CLO is a Warehouse. Accordingly, the Firm stands to benefit from these preferential allocations.

The differences described above among fee arrangements, including performance-based fee arrangements, will also create an incentive for the Muzinich Group and its portfolio managers to favor Muzinich Group Clients that pay higher fees and/or otherwise offer greater potential for fees over other Muzinich Group Clients in the devotion of time and resources. For instance, the Muzinich Group can be incentivized to provide access to certain research analysts employed by the Muzinich Group. These conflicts could impact the relative performance of such Muzinich Group Clients, including 1988 Asset Management CLOs, as compared to other Muzinich Group Clients.

To manage these potential conflicts, the Muzinich Group has adopted a number of policies and procedures. These policies and procedures include the Muzinich Group's (i) Compliance Manual and Global Code of Ethics, which remind all employees of their duty to treat all Muzinich Group Clients fairly and consistently with relevant fiduciary duties; (ii) Trade Allocation and Aggregation Policy,

which seeks to ensure that investment opportunities are allocated fairly and equitably among Muzinich Group Clients over time, without consideration of relative fee structures; and (iii) allocation and performance monitoring processes, which are designed to identify potentially unfair or unequal treatment of accounts. See also Item 11(b) – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading; Participation or Interests in Client Transactions; Investment in Securities Recommended to Clients, and Item 12(e) – Brokerage Practices; Aggregation and Allocation of Trades.

Collateral Management Fees received by 1988 Asset Management are based on the value of the assets under management. In cases where 1988 Asset Management also receives a performance fee, the performance fee is paid if specific internal rates of return thresholds are achieved. Account valuations are received for purposes of computing returns from the trustee. In instances where the trustee cannot determine a fair market value for a 1988 Asset Management CLO's portfolio investment, the trustee could request 1988 Asset Management's involvement as described in the Governing Documents. For hard to value assets, when 1988 Asset Management is unable to obtain a value from an independent third-party pricing vendor, the Muzinich Group's Valuation Committee will determine it. The Valuation Committee could consider such factors as quotes from broker-dealers, input from the investment team, "look-back" tests, industry comparables, current yields, payment status, probability of default, market liquidity and general economic factors.

As noted above, the Muzinich Group's investment team, including the portfolio managers of its Muzinich Group Client accounts (including the 1988 Asset Management CLOs), can provide input during the valuation process which raises a potential conflict of interest as such investment professionals maintain an interest in the performance, and therefore the valuation, of a Muzinich Group Client's assets. However, the investment team members do not sit on the Firm's Valuation Committee and therefore do not participate in the final determination of the valuation of the Muzinich Group Client's assets.

It should be noted that different Muzinich Group Client accounts (including any 1988 Asset Management CLOs) will sometimes carry the same asset at different values, and performance metrics will sometimes differ slightly between the Muzinich Group and administrators, custodians or trustees due to valuation differences. Such differences can be caused by variations among Muzinich Group Clients in pricing sources, differing methodologies for determining values when prices are not available from a third-party source, or applying prices at the bid quote versus the mid-point of bid and ask quotes, in each case as determined by the governing documents of the applicable Muzinich Group Client.

ITEM 7: TYPES OF CLIENTS

The Firm's clients are the CLOs with whom 1988 Asset Management has entered into collateral management agreements, as well as, from time to time, entities formed for purposes of "warehousing" investments (or similar financing arrangements) in anticipation of the launch of a CLO.

The securities issued by 1988 Asset Management CLOs are generally expected to be purchased by institutional investors which can include, but may not be limited to, public and private pension funds, sovereign wealth funds, investment companies, banks, trusts, and insurance companies. 1988 Asset Management (and/or other members of the Muzinich Group or their employees) expects to maintain an investment in the 1988 Asset Management CLOs, but could sell a portion or all of its investment at its discretion to eligible institutional investors in accordance with each 1988 Asset Management CLO's applicable Governing Documents.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

a) Methods of Analysis & Investment Strategy

1988 Asset Management provides discretionary investment advisory services to one or more CLOs. 1988 Asset Management's clients are generally expected to be pooled investment vehicles that are CLOs that invest principally in U.S. dollar-denominated senior secured loans. However, the Firm could also invest in other loan types including, but not limited to, second lien loans, unsecured term loans, bridge loans, delayed draw term loans, debtor-in-possession (DIP) loans, revolving loans and letter of credit facilities, notes, high yield bonds, and bonds with attached warrants. 1988 Asset Management also implements and manages Warehouses.

1988 Asset Management utilizes proprietary fundamental research to identify investment opportunities to meet its investment criteria. The Firm evaluates investments based on the issuing company's overall credit risk as evidenced by items such as cash flow coverage ratios, corporate asset values, an issue's seniority in the issuer's capital structure, the expected volatility of corporate cash flows and asset values, and/or an issue's particular credit covenants. The Firm also evaluates key off balance-sheet risks such as anticipated liquidity characteristics, an instrument's structural characteristics, and non-balance sheet risks which might change the value of an instrument in the marketplace such as, but not limited to, quality of governance, environmental and/or social considerations, off-balance sheet exposures, liabilities, and controversies, technological obsolescence, or legislative risk.

The Firm engages in in-depth credit analysis, believing that credit research, rather than credit engineering, is the long-term driver of attractive risk-adjusted returns.

In connection with portfolio management decisions, the Firm's portfolio managers take into account the investment guidelines of each Client portfolio, including monitoring tests and constraints, and the best interest of investors in conjunction with the Firm's investment views. Such differences can lead to the Firm taking different investment actions with respect to the same asset on behalf of different Client accounts.

b) Material Risks of Investment Strategy

While 1988 Asset Management seeks to manage each Client's account so that risks are appropriate to the return potential for the strategy employed, it is often not possible or desirable to fully mitigate risks. Any investment involves the risk of loss, and there can be no guarantee that a particular level of return will be achieved. Clients and investors should also be aware that an account's investment strategy is often limited to particular types of securities and may not be diversified. An account's investment strategy could present a high degree of risk that investors and Clients should be prepared to bear. It is possible that some or all of an account's investments could be lost. Clients and investors should be prepared to bear the risk of such potential losses, including through diversification.

1988 Asset Management's investment strategy involves various material risks. The following is a summary of material risks associated with 1988 Asset Management's investment strategy; it does not purport to be a complete enumeration or explanation of all such risks. Investors in 1988 Asset

Management CLOs should also review relevant Governing Documents for further information on the risks associated with a particular strategy and/or investment.

Active Management Risk. 1988 Asset Management CLOs are actively managed and rely on the expertise of 1988 Asset Management and/or the portfolio manager(s) primarily responsible for the relevant Client accounts. Performance therefore will reflect in part the ability of 1988 Asset Management and its portfolio manager(s) to select securities and to make investment decisions that are suited to achieving a Client's investment objective. Due to being actively managed, a Client's account can underperform another Client's account with similar investment objectives.

Allocation Risk – Minimum Lot Size. The Muzinich Group will typically allocate high yield bond investment opportunities to Muzinich Group Client accounts in round lots and minimum increments as imposed by (i) the Muzinich Group based on the market in which the assets are traded, and/or (ii) the issuers of such bonds. This could result in smaller accounts being disadvantaged by not being able to participate in an investment opportunity. See Item 12(e) – Brokerage Practices; Aggregation and Allocation of Trades, for further information.

Allocation Risk – Partial Fills. When open orders to purchase or sell the same asset on identical terms are placed on behalf of more than one Client account through the same broker/dealer, they are typically aggregated and allocated as to the amount in accordance with the original order placed for each Muzinich Group Client account. In the event of a partial fill of an order, allocations to Muzinich Group Client accounts are generally made pro rata based on the initial order but can be modified on a basis that the Muzinich Group deems to be appropriate. Accordingly, one or more Muzinich Group Clients could be disadvantaged because of the investment activities conducted for one or more other Muzinich Group Clients. This can result in smaller accounts being disadvantaged, including by not receiving any allocation, especially with regard to new issues, which can trade at a premium shortly after issuance.

Furthermore, once a partially filled order has been preliminarily allocated among Muzinich Group Clients, the Firm can make certain adjustments to the allocation as between 1988 Asset Management CLOs. Specifically, if a 1988 Asset Management CLO is failing or at risk of failing a “test” under its investment guidelines and restrictions and a partially filled order would assist that CLO in curing, improving and/or maintaining its position with respect to the test, then the Firm will generally adjust allocations as between 1988 Asset Management CLOs to allocate all or a relatively larger portion of the order to the affected CLO. Additionally (but subject to the foregoing sentence), the Firm will generally adjust the allocation of partially filled orders as between 1988 Asset Management CLOs in favor of 1988 Asset Management CLOs that are Warehouses. At any given time, 1988 Asset Management CLOs that are Warehouses are more likely to benefit from this policy and earlier-formed 1988 Asset Management CLOs are likely to be negatively impacted. However, where there is more than one Warehouse open at any given time, the Firm will generally adjust the allocation in favor of the Warehouse that is closest to the anticipated closing. Because of these adjustments, certain 1988 Asset Management CLOs could receive full allocations while other 1988 Asset Management CLOs (which can include Warehouses) could receive only a portion of the amount requested or could not receive any allocation at all and would therefore be disadvantaged.

See Item 12(e) – Brokerage Practices; Aggregation and Allocation of Trades, for further information.

Availability of Suitable Investments Risk. While the Firm believes that many attractive investments

of the type in which Clients invest are currently available, there can be no assurance that such investments will continue to be available or that available investments will continue to meet the Clients' investment criteria or be as attractive; past performance is not necessarily indicative of future performance. Furthermore, it is possible that the Firm is unable to find a sufficient number of attractive investment opportunities to meet Clients' investment objectives. Additionally, as discussed in *Allocation Risk – Partial Fills* above and in Item 12(e) – Brokerage Practices; Aggregation and Allocation of Trades below, the Firm's allocation policies contemplate allocating a greater percentage (or all) of certain transactions to 1988 Asset Management CLOs that are failing or at risk of failing certain portfolio tests and/or Warehouses.

Bankruptcy and Similar Proceedings Risk. While the Firm does not intend to invest in distressed positions, an investment made by a 1988 Asset Management CLO could be impacted by a bankruptcy or similar proceeding regarding a position that becomes distressed after investment. There are a number of significant risks when invested in companies involved in bankruptcy cases, including the following:

- Many events in a bankruptcy case are the product of contested matters and adversary proceedings that are beyond the control of the creditors. While creditors are generally given an opportunity to object to significant actions, there can be no assurance that a bankruptcy court in the exercise of its broad powers would not approve actions that would be contrary to a Client's interests. Further, positions based on established bankruptcy case law could prove to be incorrect.
- A bankruptcy filing could have adverse and permanent effects on a company. For instance, the company can lose its market position and key employees and otherwise become incapable of restoring itself as a viable entity. Further, if the reorganization case becomes a liquidation, the liquidation value of the company could not equal the liquidation value that was believed to exist at the time of the investment.
- The duration of a bankruptcy case is difficult to predict. A creditor's return on investments can be adversely impacted by delays while the plan of reorganization is being negotiated, voted on by the creditors and confirmed by the bankruptcy court, until it ultimately becomes effective.
- The administrative costs in connection with a bankruptcy case are frequently high and could be paid out of the debtor's estate prior to any return to creditors. In addition, reorganizations can be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. It is possible that 1988 Asset Management and/or its Clients could be named as defendants in civil proceedings. For example, if a proceeding involves protracted or difficult litigation, or turns into a liquidation, substantial assets could be devoted to administrative costs, which would thereby reduce the value of the investment.
- Creditors can be subject to equitable subordination and lose their ranking and priority if they engage in certain inequitable conduct or they exercise "domination and control" over a debtor and other creditors can demonstrate that they have been harmed by such actions, especially in the case of investments made prior to the commencement of bankruptcy cases.

- Bankruptcy law in certain jurisdictions permits the classification of “substantially similar” claims in determining the classification of claims in a reorganization. Because the standard for classification is vague, there exists the risk that a creditor’s influence with respect to the class of securities or other obligations it owns can be lost by increases in the number and amount of claims in that class or by different classification and treatment.
- In the early stages of the bankruptcy case, it is often difficult to estimate the extent of, or even to identify, any contingent claims that could be made.
- Certain claims, such as claims for taxes, could have priority by law over the claims of certain creditors.
- If a creditor seeks representation on a creditor’s committee, it could owe certain obligations generally to all similarly situated creditors that the committee represents. Accordingly, where a representative of the Muzinich Group serves in this capacity, the Muzinich Group, including 1988 Asset Management, could be required to consider interests that conflict with those of one or more Muzinich Group Clients, which can include a Client. In addition, the Muzinich Group’s serving on such committees could subject 1988 Asset Management to various trading or confidentiality restrictions. Moreover, Clients could be required to indemnify any person serving on a committee on their behalf for claims arising from serving in these capacities. Such indemnification obligations could therefore adversely affect the return on any investment related to a reorganization.
- If relevant, certain non-U.S. jurisdictions can present different risks.

Cash Drag and Negative Cash Positions. A Client account maintaining a position in cash will be susceptible to a reduction in total return or interest received (i.e. “cash drag”) due to not having all cash deployed into investments that can appreciate or earn income. Client accounts receive cash inflows regularly, as a result of regular interest payments tied to debt investments and return of principal or repayments of such debt investments. In most circumstances, the Firm seeks to fully invest Client accounts to reduce the possibility of cash drag. Accordingly, the Firm will often place purchase transactions on behalf of Client accounts in anticipation of receipt of cash inflows, which can have the effect of a Client account experiencing a negative cash position on a trade date basis, but with the expectation of receiving sufficient cash in time to settle purchase transactions. While the Firm’s strategy generally intends to reduce cash drag, particularly in accounts that intend to utilize leverage, reduced cash drag typically increases the risk of delayed settlement in the event that cash is not available to settle purchase transactions when counterparties seek to settle, and could exacerbate loss under unfavorable market conditions.

CLO Risk - Investments in CLOs. CLOs issue classes or “tranches” of securities that vary in risk and yield. The value of CLO securities generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the underlying portfolio of assets of the related CLO, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Investments in CLO securities can experience substantial losses due to actual defaults, decrease of market value due to collateral defaults and disappearance of subordinate tranches, market anticipation of defaults, and investor aversion to CLO securities as a class. The risks of investing in CLOs depend largely on the type of the underlying collateral. Holders of interests in CLOs could have limited rights with respect

to underlying assets in which the CLO invests. Holders of interests in CLOs rely on distributions from the underlying collateral or proceeds thereof for payment. If distributions on the underlying collateral are insufficient to make payments on the applicable CLO security, generally, no other assets are available for payment of the deficiency, and following realization of the CLO, the obligations of the CLO to pay such deficiency will generally be extinguished. The CLO could have limited assets to make payment on the interests owned by investors. More junior securities issued by a CLO are subject to greater risk of nonpayment than more senior securities. Interests issued by a CLO have limited liquidity and there are restrictions on their transfer.

Corporate Credit Investments Risk. 1988 Asset Management CLOs invest in sub-investment grade corporate credit instruments, including, without limitation, credit instruments that are subject to resale pursuant to Rule 144A or other legal restrictions on resale; debt securities issued or guaranteed by private or public corporations; and various other types of instruments. Corporate debt instruments pay fixed, variable or floating rates of interest. Some debt securities, such as zero coupon bonds, do not make regular interest payments but are issued at a discount to their principal or maturity value. The value of fixed-income instruments in which a 1988 Asset Management CLO invests will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income instruments can fluctuate in response to perceptions of creditworthiness, political stability or soundness of economic policies. Fixed-income instruments are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

Diversification and Concentration. 1988 Asset Management could select investments for 1988 Asset Management CLOs that are concentrated in a limited number of types of instruments. In addition, the CLO could become significantly concentrated in investments related to a single or limited number of issuers, industries, sectors, markets, countries or geographic regions. The limited diversification could result in the concentration of risk, which in turn, could expose the 1988 Asset Management CLOs to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such investment type.

Energy and Natural Resources Risk. 1988 Asset Management CLOs could invest in energy and natural resources-based investments. The energy sector is cyclical and highly dependent on commodities prices. This sector could be subject to substantial government regulation and contractual fixed pricing, which can increase the cost of business and limit earnings. A significant portion of the revenues in this industry depends on a relatively small number of customers, including governmental entities and utilities. As a result, governmental budget constraints could have a material adverse effect on market values in this industry. Energy projects can also operate in countries with less developed regulatory regimes or a history of expropriation, nationalization or other adverse policies. Energy projects also face a significant risk of civil liability from accidents resulting in injury or loss of life or property, pollution or other environmental mishaps, equipment malfunctions or mishandling of materials and a risk of loss from terrorism and natural disasters, including explosions, hurricanes, tornadoes, tsunamis, floods and earthquakes. The risks associated with investments in the energy and natural resources sectors include adverse consequences resulting from the availability of reserve requirements, national and international events.

Environmental, Social, Corporate Governance (ESG) Risks. 1988 Asset Management recognizes that environmental, social and governance (ESG) factors and sustainability risk can have a

meaningful impact on credit analysis and the performance of companies. Accordingly, the Firm could decline to invest in or dispose of investments in certain companies or industries based upon a risk determination incorporating ESG elements, or for reasons other than risk; such investments could prove to be advantageous, and Clients could therefore be negatively impacted by such decisions. However, 1988 Asset Management does not automatically negatively screen investments based on ESG factors unless specified in a Client's Governing Documents. Additionally, 1988 Asset Management does not represent that the 1988 Asset Management CLOs or that the Firm's services are "ESG Compliant," "Green," or otherwise conceived for the purpose of promoting ESG initiatives. It should be noted that there is no prohibition on 1988 Asset Management CLOs holding securities or loans of companies or industries solely on the basis that such companies pose ESG risks. Furthermore, to the extent that the Firm takes into account ESG factors for a particular investment by a Client, the Firm can rely on information and data, including data from a third party, that could be incomplete or erroneous, which could cause the Firm to incorrectly assess a company's ESG characteristics.

Equity Securities. Clients can receive equity securities as part of a restructuring. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions and general economic environments. The value of equity securities of public and private, listed and unlisted companies generally varies with the performance of the issuer, movements in the equity markets, and trends in overall economic conditions.

Extension Risk. Some debt securities are subject to the risk that the debt security's effective maturity is extended because they are not called or prepaid as anticipated, particularly when interest rates rise. The market value of such security could then decline and become more interest rate sensitive.

Fundamental Analysis Risk. Certain investment decisions made by 1988 Asset Management are based on fundamental analysis. Data on which fundamental analysis relies could be inaccurate or could be generally available to other market participants. To the extent that any such data proves to be inaccurate or that other market participants have developed, based on such data, trading strategies similar to 1988 Asset Management's strategy, 1988 Asset Management may not be able to realize its investment goals. In addition, fundamental market information is subject to interpretation. To the extent that 1988 Asset Management misinterprets the meaning of certain data, Clients could incur losses.

High Yield Instrument Risk. Investments in high yield debt instruments can involve a substantial risk of loss. These instruments, which are rated below investment grade, are considered to be speculative with respect to the issuer's ability to pay interest and principal and they are susceptible to default or decline in market value due to adverse economic and business developments. High yield debt instruments expose Client portfolios to a greater risk of loss of principal and income than investments in investment grade debt instruments. If there is a "flight to safety," the market's perception of "high yield" securities could turn negative, and these types of debt instruments can become perceived as "high risk."

Information Technology and Cybersecurity Risk. The increased use of internet-based technologies, including remote work environments, creates growing operational and security risks for 1988 Asset Management. 1988 Asset Management is reliant on its information technology infrastructure, processes and procedures, and seeks to ensure that it has competitive informational technology

systems. Information technology changes rapidly, however, and 1988 Asset Management may not be able to stay ahead of such advances. Cyber incidents could result from unintentional events, or from deliberate attacks that could result in the compromise of personal information, corruption of data, disruption of operational systems, or misappropriation of assets or sensitive information. Such incidents could affect 1988 Asset Management's and Clients' service providers (including, but not limited to custodians, administrators, trading counterparties and accountants), governmental and regulatory authorities, and the issuers of assets in Client accounts. These risks can interrupt 1988 Asset Management's ability to engage in its business, cause financial loss, reputational harm, or lead to violations of applicable laws, agreements, or 1988 Asset Management's policies concerning privacy protection and confidentiality. While 1988 Asset Management maintains an information security program, cybersecurity threats evolve quickly and cannot always be identified and avoided. 1988 Asset Management or a service provider could be a target of cybersecurity attacks. While steps have been taken to mitigate the risk of such attacks, no system is fully attack-proof, and a cybersecurity attack could have an adverse impact on 1988 Asset Management and its Clients.

Interest Rate Risk. When interest rates rise, prices of debt instruments generally fall and when interest rates fall, prices of debt instruments generally rise. Interest rate changes can be sudden and unpredictable, and are influenced by a number of factors, including government policy, monetary policy, inflation expectations, perceptions of risk, and supply and demand of bonds. Changes in government monetary policy, including changes in tax policy or changes in a central bank's implementation of specific policy goals, could have a substantial impact on interest rates. There can be no assurance that any particular government or central bank policy will be continued, discontinued or changed, nor that any such policy will have the desired effect on interest rates. A substantial increase in interest rates could also have an adverse impact on the liquidity of a debt instrument, especially those with longer maturities. Debt instruments with longer maturities or durations or lower coupons or that make little (or no) interest payments before maturity tend to be more sensitive to these interest rate changes. Although the value of investments will vary, 1988 Asset Management expects investments in floating rate loans to minimize fluctuations in value as a result of changes in market interest rates. However, because floating rates on loans reset only periodically, changes in prevailing interest rates can still be expected to cause some fluctuation in value.

Impairment of Collateral Risk. The value of any collateral securing a bond or loan can decline and could be insufficient to meet the borrower's obligations or be difficult to liquidate. In addition, access to collateral could be limited by bankruptcy or other insolvency laws.

Investment Return Risk. There is no assurance that a Client's capital will be invested on attractive terms or generate returns. Clients could experience losses on their investment, including a total loss of their investment. Supply and demand for debt instruments change rapidly and are affected by a variety of factors. Such factors include investment-specific price fluctuations as well as macro-economic, market and industry-specific conditions, including, but not limited to, national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments (such as the results of operations, financial condition, sales and product lines of corporate issuers), national and international politics, governmental events and changes in interest rates and income tax laws. In addition, events such as political instability, terrorism, natural disasters, and regional and global health epidemics can occur. 1988 Asset Management could have only limited ability to vary its investment portfolio in response to changing economic, financial, investment and other conditions. No guarantee or representation can be made that 1988 Asset Management's investment program will be successful. The market price of securities

and other financial instruments can go up or down, sometimes unpredictably, and investment results can vary substantially.

Issuer Risk. An issuer could perform poorly, and therefore, the value of its debt instruments can decline, which would negatively affect performance.

Leverage Risk. Losses incurred on leveraged investments will increase in direct proportion to the degree of leverage employed. Clients that utilize leverage will also incur interest expense on the borrowings used to leverage their positions. If gains earned by a Client's portfolio fail to cover costs attributable to leveraging the portfolio, the net asset value of the Client's portfolio is likely to decrease faster than if there had been no borrowings. With respect to Warehouses in particular, the use of leverage also could result in the forced liquidation of positions (which may otherwise have been profitable) as a result of margin or collateral calls. Moreover, with respect to Warehouses, to the extent the Firm can adjust the Warehouse's leverage levels, the Firm could increase (or decrease) leverage at times when it is not advantageous to do so and, as a result, the value of the Warehouse can decrease. With respect to CLOs, the maximum leverage level is generally fixed at the outset of the respective CLO. The CLO's leverage generally varies during the life of the CLO based on realized losses and gains and repayments of the CLO's debt securities after the end of the reinvestment period.

LIBOR Transition Risk. Clients could be subject to risks associated with the discontinuance of the London Interbank Offered Rate ("LIBOR"). The Clients' investments, payment obligations and financing terms could be based on floating rates, such as LIBOR, EURIBOR, the Federal Funds Rate, the Prime Rate and other similar types of reference rates (each, a "Reference Rate"). On July 27, 2017, the Chief Executive of the UK Financial Conduct Authority ("FCA"), which regulates LIBOR, announced that the FCA will no longer persuade nor require banks to submit rates for the calculation of LIBOR and certain other Reference Rates after 2021. Such announcement indicates that the continuation of LIBOR and other Reference Rates cannot and will not be guaranteed after 2021. This announcement and any additional regulatory or market changes could have an adverse impact on Clients' or their investments. On March 5, 2021, the United Kingdom Financial Conduct Authority announced that Reference Rate settings will either cease to be provided by any administrator, or no longer be representative immediately after December 31, 2021, for all GBP, EUR, CHF and JPY LIBOR settings and one-week and two-month USD LIBOR settings, and immediately after June 30, 2023, for the remaining USD LIBOR settings, including one-month and three-month USD LIBOR (the "Announcement"). Concurrent with the Announcement, the Federal Reserve Board, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation released a statement that (i) encouraged banks to cease entering into new contracts that use U.S. dollar LIBOR as a Reference Rate as soon as practicable and in any event by December 31, 2021, (ii) indicated that new contracts entered into before December 31, 2021 should either utilize a Reference Rate other than U.S. dollar LIBOR or have robust fallback language that includes a clearly defined alternative reference rate after the discontinuation of U.S. dollar LIBOR and (iii) explained that extending the publication of certain U.S. dollar LIBOR tenors until June 30, 2023 would allow most legacy U.S. dollar LIBOR contracts to mature before LIBOR begins experiencing disruptions. Nonetheless, the termination of certain Reference Rates presents risks to Clients because there is no assurance that the composition or characteristics of any alternative Reference Rate will be similar to or produce the same value or economic equivalence as existing Reference Rates or that will have the same volume or liquidity. At this time, it is not possible to completely identify or predict the effect of any such changes, any establishment of viable alternative Reference Rates or any other reforms to Reference Rates that could be enacted in the UK or elsewhere. The elimination of a Reference Rate or any other changes or reforms to the determination or supervision of Reference Rates could have an adverse impact on the

market for or value of any securities or payments linked to those Reference Rates and other financial obligations held by Clients. In addition, any substitute Reference Rate and any pricing adjustments imposed by a regulator or by counterparties or otherwise could adversely affect performance of a Client account.

Liquidity Risk. 1988 Asset Management invests in loans and bonds that are thinly-traded or for which no market exists. The financial markets have experienced, and can in the future, experience, substantial fluctuations in prices for these investments and limited liquidity for such instruments. During periods of limited liquidity and higher price volatility, 1988 Asset Management's ability to acquire or dispose of investments at a price and time that the Firm deems advantageous can be severely impaired, and the Firm could be inhibited from taking advantage of market opportunities. Some investments can also have a limited (or no) trading market under any market conditions. Illiquid investments can trade at a discount from comparable, more liquid investments. The impact of low liquidity on the global credit markets could adversely affect the Firm's portfolio management flexibility and ultimately, the Firm's ability to achieve a Client's performance objectives. Additionally, bank loans generally are subject to legal or contractual restrictions on resale and could trade infrequently; and their value could be impaired when the Firm needs to liquidate such loans. Leveraged loans and bonds generally trade only in the over-the-counter market rather than an organized exchange and can be more difficult to purchase or sell at a fair price, which could have a negative impact on performance.

Liquidity Risk of Investments in Private Companies. Various restrictions render investments in private companies relatively illiquid. Investments in private companies are typically subject to legal and other restrictions on resale or are otherwise less liquid than publicly traded securities. The illiquidity of private company investments can make it difficult to sell such investments if the need arises. Therefore, if the Firm is required to or desires to liquidate all or a portion of its private company investments quickly, the Firm could realize significantly less than the value at which such investments are held.

Loan Risk. 1988 Asset Management CLOs invest in syndicated loans. These loans, which can bear fixed or floating rates, have generally been arranged through private negotiations between a company and one or more financial institutions, including banks. Bank loans are not securities and therefore do not have the protection afforded by federal securities laws. An investment can be in the form of participation in loans or of assignments of all or a portion of loans from third parties. The sale and purchase of a senior loan are subject to the requirements of the underlying credit agreement governing the loan. These requirements can limit the eligible pool of potential loan holders by placing conditions or restrictions on sales and purchases of loans. In addition, the value of the collateral securing the loan could decline, causing a loan to be substantially unsecured. There may not be a readily available market for loan participation interests, which in some cases could result in a 1988 Asset Management CLO disposing of such interests at a substantial discount from face value or holding such interests until maturity. In addition, loans are subject to the credit risk of the underlying corporate borrower. Syndicated loans are not traded on an exchange and purchasers and sellers of these loans rely on market makers, usually the administrative agent for a particular senior loan, to trade these loans. These factors, in addition to overall market volatility, can negatively impact the liquidity of loans. To the extent that a secondary market does exist for certain loans, the market could be subject to volatility, irregular trading activity, wide bid/ask spreads, decreased liquidity and extended trade settlement periods. In addition, investments in syndicated loans involve credit risk, interest rate risk, liquidity risk, and other risks, including the risk that it could take more than seven days to settle any loan

transaction, the risk that any collateral can become impaired, and the risk that the Client could obtain less than the full value for the loan interests when sold.

Loan Risk - Default. Borrowers could be susceptible to economic recession or downturns or other circumstances which cause the borrower to be unable to meet covenant requirements or service their obligations for indefinite periods of time. In addition, the credit markets are subject to volatility and a changing regulatory environment that could limit the availability of credit being provided by lenders with the result that a borrower might not be able to refinance its debt at or prior to maturity. This could lead to a default on a loan and, consequently, termination or a write down or other reduction in the value of the loan, and the exercise of remedies. In such cases, Clients would likely suffer losses resulting from an inability to recover all or a portion of their investment in defaulted loans. Moreover, disruption in the credit or other financial markets leading to increased loan defaults and credit downgrades of borrowers could negatively affect the liquidity and pricing of loans in a Client's portfolio.

Loan Risk – Debtor-in-Possession (DIP) Loans. Debtor-in-possession (DIP) loans involve a fundamental credit risk based on the borrower's ability to make principal and interest payments and the inherent risks in the bankruptcy process. DIP loans are subject to a court approval process in which parties-in-interest can be heard but there can be no assurance that Clients would be successful in obtaining favorable results. If the Firm's calculations as to the outcome or timing of a reorganization are inaccurate, a company that has filed for bankruptcy may not be able to make payments on a DIP loan on time or at all. In addition, DIP loans could be privately negotiated transactions, each of which has individualized terms. These positions could be illiquid and difficult to value. DIP loans could be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the borrower and general market liquidity.

Loan Risk – Dealer Market Making. The value of investments will be affected by general leveraged finance market conditions, such as the volatility and liquidity of the leveraged finance market, which are affected by the ability of dealers to "make a market" in leveraged loans. In recent years, the market for leveraged loans has significantly increased while dealer inventories have significantly decreased, relative to market size. This reduction in dealer inventories could be attributable to regulatory changes, such as capital requirements, and is expected to continue. As dealers' inventories decrease, so does their ability to make a market (and, therefore, create liquidity) in the leveraged finance market. Especially during periods of rising interest rates, this could result in greater volatility and illiquidity in the leveraged finance market, which could impair profitability or result in losses.

Market Risk. The corporate credit markets can experience sharp and sudden price swings due to a variety of factors, including, but not limited to, changes in securities regulations, swings in market psychology, volatility in the stock market, changing economic conditions, a highly publicized default, or changes in asset allocations by major institutional investors. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions. Investments in any one strategy could underperform in comparison to general financial markets, a particular financial market or other asset classes, due to a number of factors, including inflation (or expectations for inflation), deflation (or expectations for deflation), interest rates, global demand for particular products or resources, market instability, debt crises and downgrades, embargoes, tariffs, sanctions and other trade barriers, regulatory events, other

governmental trade or market control programs and related geopolitical events.

Market Disruption Risk. Global instability, geopolitical tensions, acts of war, terrorist attacks in the United States and around the world, and the threat of a global pandemic have resulted in market volatility and could have long-term effects on the United States and worldwide financial markets and could cause further economic uncertainties in the United States and worldwide. The Firm cannot predict the effects of significant future events on the global economy and securities markets. A similar disruption of the financial markets could impact interest rates, credit risk, inflation and other factors.

An epidemic outbreak and reactions to such an outbreak could cause uncertainty in markets and businesses, including the Firm's business, and could adversely affect the performance of the global economy, including changes in currency exchange rates or interest rates, forced redemptions of securities or acquisitions proposals, regulatory intervention, general market conditions creating illiquidity or pricing anomalies or value impairment, causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences.

Opportunity Risk. The Firm could participate in a limited number of investments for Client accounts and, as a consequence, the aggregate return of such Client assets could be substantially adversely affected by the unfavorable performance of even a single investment. In addition, other than as set forth in the applicable Client's Governing Documents, Clients have no assurance as to the degree of diversification of investments, either by geographic region, industry or transaction type.

Other Clients Risk. In addition to responsibilities with respect to the management and investment activities of any particular 1988 Asset Management CLO, the Muzinich Group will have similar responsibilities with respect to various other existing and future Muzinich Group Clients. The existence of such multiple vehicles such as CLOs, funds, pooled investment vehicles, and separately managed accounts necessarily creates a number of potential conflicts of interest. See Item 6 – Performance Based Fees and Side by Side Management; Item 11(d) – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading; Other Conflicts – Non-Exclusive Services and Item 12(e) – Brokerage Practices; Aggregation and Allocation of Trades.

Political Uncertainty Risk. U.S. markets, as well as non-U.S. markets in which Clients can invest in the future or to which Clients or borrowers are exposed, could experience political uncertainty and/or change that subject investments to heightened risks. These heightened risks could include: greater fluctuations in currency exchange rates; increased risk of default (by both government and private issuers); greater social, economic, and political instability (including the risk of war or terrorist activity); greater governmental involvement in the economy; less governmental supervision and regulation of the securities markets and market participants; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital and on the ability to exchange currencies; inability to purchase and sell investments or otherwise settle security or derivative transactions (i.e., a market freeze); unavailability of currency hedging techniques; and slower clearance. During times of political uncertainty, the global securities, derivatives and currency markets often become more volatile. There also could be a lower level of monitoring and regulation of markets while a country is experiencing political uncertainty, and the activities of investors in such markets and enforcement of existing regulations could become more limited. Markets experiencing political uncertainty could have substantial, and in some periods extremely high, rates

of inflation for many years. Inflation and rapid fluctuations in inflation rates could have negative effects on such countries' economies and securities markets. There can be no assurance that political changes will not cause a Client to suffer a loss of any or all of its investments or interest thereon.

For example, in response to the recent conflict between Russia and Ukraine, the U.S. and other countries have imposed sanctions, embargoes, and other restrictive actions against Russia. Sanctions, export controls, tariffs, trade wars and other governmental actions resulting from the conflict between Russian and Ukraine have resulted in significant volatility, disruption and uncertainty, which could lead to an economic downturn. These circumstances could have a material adverse effect on business, financial condition, cash flows and results of operations of the companies in which Clients invest.

Portfolio Turnover Risk. High portfolio turnover involves correspondingly greater expenses to Clients, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of debt instruments and reinvestments in other debt instruments. Furthermore, high portfolio turnover can result in adverse tax consequences to Clients.

Prepayment Risk. Prepayment risk occurs when a debt instrument can be repaid in whole or in part prior to the instrument's maturity and the Client must reinvest the proceeds it receives, during periods of declining interest rates, in instruments that pay a lower rate of interest. Also, if a debt instrument has been purchased at a premium, the value of the premium would be lost in the event of prepayment. Prepayments generally increase when interest rates fall.

Public and Private "Side" Risk. Loans are negotiated, structured, administered and, as the situation arises, amended on the basis of the borrower providing its lenders with confidential information about the borrower's business. At times, such information includes material nonpublic information. As discussed in more detail in Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, under applicable law, 1988 Asset Management and the Muzinich Group are prohibited from improperly disclosing or using material nonpublic information for their personal benefit or for the benefit of any other person, regardless of whether such other person is a Client. However, investors in loans can choose whether to receive borrower information that contains material nonpublic information. Investors that choose to participate on the "private side" (i.e., investors that choose to obtain borrower information that contains material nonpublic information) generally cannot purchase or sell (but can continue to hold) the securities of the borrower (e.g., high yield bonds) until such time as the information in 1988 Asset Management's possession is no longer deemed material nonpublic information in 1988 Asset Management's judgment. 1988 Asset Management's judgment with respect to whether the Firm has material nonpublic information could prove incorrect and, potentially, harm a Client. 1988 Asset Management chooses whether it will participate on the "private side" or "public side" (i.e., whether to obtain only borrower information that does not contain material nonpublic information). However, if 1988 Asset Management participates on the "public side" to avoid such trading restrictions, 1988 Asset Management will not have access to borrower information that could be advantageous to a Client. Furthermore, other market participants could have possession of, and benefit from, such information.

Public Health Crisis Risk. The outbreak of an infectious disease or any other serious public health concern, together with resulting restrictions on travel, quarantines, and inability of various industries or companies to meet production expectations, has had and will likely continue to have a negative impact on the economy, and businesses globally, including investments on behalf of Clients. The Firm seeks to mitigate risks related to its own ability to conduct business in the midst of a health

crisis, by maintaining and testing a business continuity plan intended to prepare the Firm to continue critical business activities in the event of direct impact on the Firm's personnel or office location. While the Firm believes it has taken reasonable and appropriate preparation measures, and seeks to confirm reasonable business continuity capabilities of critical vendors, it cannot guarantee that business activities will not be affected by an escalating health crisis.

Ratings Agencies Risk. The ratings of any debt instrument may not adequately reflect the credit risk of those assets. Ratings agencies could fail to make timely changes in credit ratings and an issuer's current financial condition could be better or worse than a rating indicates. In addition, ratings agencies are subject to an inherent conflict of interest, because they are often compensated by the same issuers whose securities they grade.

Regulatory Risk Related to Risk Retention. The U.S. Risk Retention Rules require a sponsor (or affiliate or related person) of a securitized transaction, to retain at least 5% of the economic interest in the credit risk of the securitized assets (the Retention Interests). On February 9, 2018, a three-judge panel (the "Panel") of the United States Court of Appeals for the D.C. Circuit ruled in favor of an appeal by the Loan Syndications and Trading Association against the United States Securities and Exchange Commission and the Board of Governors of the Federal Reserve System (such decision the "DC Circuit Ruling"). The Panel ruled that managers of so-called "open market CLOs" were not required to comply with the U.S. Risk Retention Rules. CLOs comprised of broadly syndicated loans would generally be classified as "open market CLOs". The Panel's opinion in the DC Circuit Ruling became effective on April 5, 2018, when the district court entered its order following the issuance of the appellate mandate on April 3, 2018, in respect thereof. Accordingly, neither 1988 Asset Management nor any of its affiliates intend to retain Retention Interests in 1988 Asset Management-managed CLOs, in reliance on the DC Circuit Ruling.

Certain foreign governmental authorities have implemented alternate risk retention requirements for transactions within their jurisdiction or pertaining to investors subject to their jurisdiction. While 1988 Asset Management has not been required to comply with these requirements, such regulations are subject to change and could affect 1988 Asset Management or the broader CLO market in the future, with uncertain positive or negative impacts on the value of CLOs and their underlying assets.

Restricted Securities Risk. 1988 Asset Management invests in restricted securities, which are bonds that are not listed on an exchange and could have no active trading market. Restricted securities could be illiquid and may be unable to be sold at a time when it may otherwise be desirable to do so or may be able to be sold only at prices that are less than what could be regarded as their fair market value. Transaction costs can be higher for restricted securities. In addition, the Firm and/or the Client could get only limited information about the issuer of a restricted security; accordingly, the valuation of restricted securities can be difficult.

Settlement Risk. Leveraged loan trades are subject to extended settlement periods, beyond the standard for other credit or equity securities trades, and do not settle delivery-versus-payment. Leveraged loan settlement periods can extend for one or more weeks, depending on the nature of the transaction (i.e., transactions in a primary offering versus secondary trading) and other factors, some of which are outside of 1988 Asset Management's control, or that of a third-party settlement service provider. The leveraged loan market applies measures to promote prompt settlements of secondary trades, and has more recently implemented similar measures for primary transactions. These measures include the forfeiture of certain economics to a counterparty in the event that 1988 Asset Management or its

settlement service provider is unable timely to meet certain requirements in connection with the settlement process. These measures do not guarantee timely settlement. Clients remain subject to the risk of delayed settlement and the possibility of the loss of economics in the event of such delays, particularly as the measures are still in early stages of implementation.

SOFR Risk. On April 3, 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 April 23, 2018, by publishing its proposed alternative rate, the Sterling Overnight Index Average (“SONIA”). Both SOFR and SONIA significantly differ from LIBOR – both in the actual rate and how they are calculated – and therefore it is unclear whether and when markets will adopt either of these rates as a widely accepted replacement for LIBOR. Furthermore, it is not possible to predict the changes that will ultimately be made to benchmark rates, the effect of any such changes and any other reforms to benchmark rates that could be enacted in the United Kingdom, United States and elsewhere and the effect of any perceived manipulation of benchmark rates. In connection with the adoption of SOFR, SONIA, or another benchmark as a replacement for LIBOR in a debt instrument’s documentation, the interest rate (or method for calculating the interest rate) applicable to that debt instrument could also be modified to account for differences between LIBOR and the applicable replacement benchmark used to calculate the rate of interest payable in respect of that instrument, which modification could be based on the recommendations of the Loan Syndications and Trading Association, the Alternative Reference Rates Committee (or such successor organization, as applicable), or a governmental body for the applicable replacement benchmark rate (if any) or could be based on a determination of an industry-accepted spread adjustment for the replacement of the relevant LIBOR rate with the relevant replacement benchmark rate. These matters could result in a sudden or prolonged increase or decrease in reported benchmark rates, benchmark rates being more volatile than they have been in the past and/or fewer debt instruments utilizing given benchmark rates as a component of interest payments. These matters could adversely affect the value of the Client and its investments.

Time Commitment Risk. The Firm is not generally obligated to devote any specific amount of time to the affairs of any Client. The Muzinich Group spends substantial time on other business activities, including those related to the other Muzinich Group Clients. The Firm’s senior management currently engage in and will be free to continue to engage in outside business activities as well as investment activities for their own accounts.

ITEM 9: DISCIPLINARY INFORMATION

Not Applicable.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

a) Registered Broker-Dealer or Registered Representative

1988 Asset Management's sole owner, Muzinich & Co., Inc. ("Muzinich") also wholly owns Muzinich Capital LLC ("Muzinich Capital"), a FINRA registered broker-dealer authorized to engage in the business of private placement transactions (including in respect of one or more funds for which Muzinich and/or its affiliates act as investment manager) and market mutual funds. Certain management persons of 1988 Asset Management are registered representatives of Muzinich Capital. The Firm does not place any Client trades through Muzinich Capital.

b) Futures Commission Merchant, Commodity Pool Operator and Commodity Trading Advisor

Neither 1988 Asset Management nor any of its management persons nor an associated person of the foregoing entities are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

c) Business Relationships with Certain Related Persons

As noted in Item 4 – Advisory Business, Muzinich, a registered investment adviser, is the parent company of 1988 Asset Management. Certain personnel of Muzinich are associated persons of 1988 Asset Management and will provide research and services to 1988 Asset Management, including making and implementing investment decisions for 1988 Asset Management CLOs. 1988 Asset Management will supervise such associated persons with respect to such investment management services, and such persons will be subject to the compliance policies and procedures of 1988 Asset Management. Furthermore, Muzinich will share resources, including facilities and systems, with the Firm in connection with the Firm's provision of its services to Clients.

As a wholly-owned subsidiary of Muzinich, 1988 Asset Management also has affiliated relationships with other Muzinich affiliates as described below.

- Muzinich is the parent company of Muzinich & Co. Limited, a United Kingdom-based investment manager (the "UK Manager"). Muzinich acts as a sub-adviser for certain of the UK Manager's client accounts. In addition, the UK Manager is a "participating affiliate" of each of 1988 Asset Management and Muzinich, in each case pursuant to a Memorandum of Understanding (each, a "UK MOU") consistent with relevant SEC Staff guidance. Under each UK MOU, certain personnel of the UK Manager are (or will become) associated persons of Muzinich or 1988 Asset Management, respectively, and make and implement investment decisions for certain Muzinich Group Clients. Muzinich and 1988 Asset Management supervise associated persons employed by the UK Manager with respect to investment management services provided to clients of Muzinich and 1988 Asset Management, respectively. 1988 Asset Management, Muzinich, and the UK Manager discuss investment related matters and such discussions can impact decisions made by any of those three entities for their respective clients.
- The UK Manager is authorized and regulated by the Financial Conduct Authority.

The UK Manager has extended places of business in Manchester, United Kingdom and in Sydney, Australia. The UK Manager also has wholly owned subsidiaries in Ireland (Muzinich & Co. (Ireland) Limited (“Muzinich Ireland”) which is regulated by the Central Bank of Ireland), Singapore (Muzinich & Co. (Singapore) Pte. Limited (“Muzinich Singapore”) which is regulated by the Monetary Authority of Singapore), Italy (Muzinich & Co. SGR S.p.A. (“Muzinich SGR”) which is regulated by the Bank of Italy) and Switzerland (Muzinich & Co. (Switzerland) AG) (“Muzinich Switzerland”). The UK Manager, the Firm and Muzinich share resources, including research.

- Muzinich Ireland is a fund management company that is domiciled in Ireland and is regulated by the Central Bank of Ireland. Muzinich Ireland has regulated branch offices in Paris, France; Frankfurt, Germany; Milan, Italy; and Madrid, Spain. In addition, Muzinich Ireland is a “participating affiliate” of Muzinich pursuant to a Memorandum of Understanding (the “Ireland MOU”) consistent with relevant SEC Staff guidance. Under the Ireland MOU, certain personnel of the Muzinich Ireland are associated persons of Muzinich and can make and implement investment decisions for certain Muzinich Group Clients. Muzinich supervises such associated persons with respect to investment management services provided to Muzinich’s clients. Muzinich and Muzinich Ireland could discuss investment related matters and such discussions can impact decisions made by Muzinich and Muzinich Ireland for their respective clients. Moreover, Muzinich serves as sub-investment manager for certain funds for which Muzinich Ireland is the manager.
- Muzinich Singapore has a representative office in Hong Kong. Moreover, Muzinich Singapore is a “participating affiliate” of Muzinich, pursuant to Memorandum of Understanding (the “Singapore MOU”) consistent with relevant SEC Staff guidance. Under the Singapore MOU, certain personnel of Muzinich Singapore are associated persons of Muzinich and could make and implement investment decisions for certain Muzinich clients. Muzinich supervises such associated persons with respect to investment management services provided to Muzinich’s clients. Muzinich and Muzinich Singapore could discuss investment related matters and such discussions can impact decisions made by Muzinich and Muzinich Singapore for their respective clients.
- Muzinich Switzerland is a “participating affiliate” of Muzinich and of 1988 Asset Management, in each case pursuant to a Memorandum of Understanding (each a “Swiss MOU”) consistent with relevant SEC Staff guidance. Under each Swiss MOU, certain personnel of Muzinich Switzerland are associated persons of Muzinich and/or 1988 Asset Management, respectively, and could provide research and related services for certain Muzinich Group Clients. Muzinich and 1988 Asset Management supervise associated persons employed by Muzinich Switzerland with respect to services provided to clients of Muzinich and 1988 Asset Management, respectively. 1988 Asset Management, Muzinich and Muzinich Switzerland could discuss investment related matters and such discussions can impact decisions made by 1988 Asset Management and Muzinich for their respective clients.
- Muzinich SGR is a fund management company that is domiciled in Italy, regulated by the Bank of Italy and supervised by the Bank of Italy and the Commissione Nazionale per le Società e la Borsa (Consob).

- The UK Manager wholly owns nine Luxembourg entities each of which serves as general partner to one or more investment funds or other vehicles: Muzinich European Private Debt, S.à r.l., Muzinich European Senior Secured Private Debt I General Partner, S.à r.l., Muzinich Pan-European Private Debt General Partner, S.à r.l., Muzinich US Private Debt General Partner, S.à r.l., Muzinich Pan-European Private Debt II General Partner, S.à r.l., Muzinich Pan-European Private Debt III General Partner, S.à r.l., Muzinich Diversified Enterprises Credit II General Partner, S.à r.l., Muzinich Asia Pacific Private Debt I General Partner, S.à r.l., and Muzinich Aviation Special Opportunities I General Partner, S.à r.l.
- Muzinich wholly owns Muzinich High Income Floating Rate Fund GP, LLC, a Delaware limited liability company, which serves as a general partner of Muzinich High Income Floating Rate Fund, LP, a private investment fund of which Muzinich serves as the investment manager.
- Muzinich serves as investment adviser or investment sub-adviser to certain mutual funds registered under the Investment Company Act.
- Muzinich owns an approximately 75% interest in Muzinich BDC Adviser, LLC (the “BDC Adviser”). The BDC Adviser is a registered investment adviser with the SEC, and serves as investment adviser to Muzinich BDC, Inc. (the “BDC”), a closed-end, non-diversified management investment company which has filed an election to be treated as a business development company under the Investment Company Act of 1940. Muzinich has entered into a Resource Sharing Agreement with the BDC Adviser pursuant to which Muzinich provides the BDC Adviser with experienced investment professionals and services so as to enable the BDC Adviser to fulfill its obligations as investment adviser to the BDC.

Related persons of the Muzinich Group could have an interest in some of the Muzinich Group Clients including but not limited to the 1988 Asset Management CLOs. Conflicts could arise as to the allocation of investment opportunities among these Muzinich Group Clients and other Muzinich Group Clients.

The Muzinich Group has policies and procedures in place reasonably designed to assure that Muzinich Group Clients are treated fairly and equitably over time and that no Muzinich Group Client receives preferential treatment in the allocation of investment opportunities. See Item 6 - Performance-Based Fees and Side by Side Management, above, Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, and Item 12(e) – Brokerage Practices; Aggregation and Allocation of Trades, below.

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

a) Code of Ethics

The Muzinich Group has adopted a Global Code of Ethics (the “Code”) which is designed to set forth the general fiduciary principles governing employees, require compliance with the federal securities laws, and assist employees in detecting and managing conflicts of interest. It includes policies with respect to: Personal Securities (i.e., personal trading by Muzinich Group employees); Insider Trading; Gifts and Entertainment; Anti-Bribery and Corruption; Outside Activities; Conflicts of Interest; and Political Contributions and Political Activities.

The Muzinich Group permits its employees to engage in personal securities transactions. These transactions raise potential conflicts of interest, including when they involve securities owned or considered for purchase or sale by or on behalf of a Muzinich Group Client account. Potential conflicts of interest can arise in connection with, for example, an employee’s knowledge and timing of transactions, investment opportunities, broker selection, portfolio holdings and investments. The Muzinich Group manages these potential conflicts by requiring that any transaction be made in compliance with its Code. The Muzinich Group generally does not permit its employees to purchase corporate bonds. Employees are given training with respect to the Code when they are hired and annually thereafter.

The Code imposes specific requirements concerning employees’ personal security investments, including but not limited to:

- Quarterly, employees must report personal securities transactions in most securities, excluding certain securities such as U.S. government securities and open-end mutual funds (other than mutual funds managed by the Muzinich Group);
- Employees must report holdings in certain covered securities annually;
- Employees cannot trade for their personal accounts while in possession of material, non-public information;
- Employees cannot trade for their personal accounts in securities which are either restricted or in which their investment can result in a conflict of interest;
- Employees must receive prior approval from the Chief Compliance Officer or his or her delegate prior to purchasing a security in an initial public offering or a private offering; and
- Prior to engaging in a transaction in certain securities, employees must receive approval from the Chief Compliance Officer or his or her delegate.

All Clients and prospective Clients can obtain a copy of the Code of Ethics by writing or calling the Firm as follows:

1988 Asset Management, LLC
Attn: Chief Compliance Officer
450 Park Avenue
New York, NY 10022
(212) 888-3413
compliance@muzinich.com

b) Participation or Interests in Client Transactions; Investment in Securities Recommended to Clients

The Muzinich Group and certain Muzinich Group employees intend to make investments, directly or indirectly, of their own capital in certain 1988 Asset Management CLOs. In addition, the Muzinich Group and/or employees of the Muzinich Group have in the past made, and can in the future make, further investments in one or more other Muzinich Group Clients. These interests create an incentive to favor one Muzinich Group Client over another when, for example allocating trades, correcting errors, engaging in cross transactions or otherwise making investment decisions on behalf of the Muzinich Group Clients. With respect to trade allocation in particular, these potential conflicts can be greater when purchasing securities that are limited in supply or selling securities that have limited liquidity. 1988 Asset Management seeks to manage these conflicts by allocating investment opportunities among accounts in a manner that the 1988 Asset Management determines fair and equitable under the circumstances and in accordance with its policies and procedures regarding trade allocations. See Item 12(e) – Brokerage Practices; Aggregation and Allocation of Trades, for further information. Furthermore, the ownership by the Muzinich Group and/or employees of the Muzinich Group of an interest in any 1988 Asset Management CLO and/or other Muzinich Group Client could create an incentive to devote more resources, time and attention to such Muzinich Group Clients.

The Muzinich Group and/or Muzinich Group employees that own interests in 1988 Asset Management CLOs will act in their own interests in electing to maintain or divest of such investments, which could adversely impact other investors in such 1988 Asset Management CLOs. Furthermore, the holding of such investments will provide voting rights to the Muzinich Group and/or such employees with respect to matters as to which the holders of securities are entitled to vote. These can include, without limitation, any vote to direct a redemption or refinancing and any vote to accelerate or not accelerate the payment of certain CLO securities. Muzinich's and/or such employees' exercising of such voting rights can also adversely impact other investors in such 1988 Asset Management CLOs.

A principal transaction occurs when an investment adviser, acting for its own account (or the account of an affiliate) buys a security from, or sells a security to, a client. It is the Firm's policy to generally prohibit principal transactions and 1988 Asset Management does not presently intend to engage and has not engaged in principal transactions. Principal transactions can pose the potential for conflicts of interest between 1988 Asset Management and its Clients. In the rare occasion where a principal transaction appears appropriate and in the best interest of the Client, it can be transacted only with written (i) disclosure to the Client and (ii) permission from the Client prior to settlement. Additionally, Clients could have different procedures with respect to completing principal transactions, as set forth in the relevant Client's Governing Documents.

The Muzinich Group and its employees could invest in issuers that they also recommend to Clients. However, the Muzinich Group and its employees cannot trade for their personal accounts in securities which are on the Muzinich Group's restricted list and/or in which their investment could result in certain conflicts of interest. They also can give advice and take action with respect to Muzinich Group Client accounts they manage, or for their own accounts, that could differ from action taken, or the time or nature of the action taken, by the Muzinich Group on behalf of other Muzinich Group Clients accounts. The Muzinich Group is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that the Muzinich Group or their respective

employees can buy or sell for their own accounts or for the accounts of any other Muzinich Group Client.

Additionally, in certain circumstances, such as when it makes investments in certain syndicated loans on behalf of certain Muzinich Group Client accounts, the Muzinich Group could come into possession of material non-public information about an issuer. In these instances, the Muzinich Group typically adds the issuer (if it has public securities) to its restricted list and would be prohibited from purchasing or selling public securities of such issuer for a Muzinich Group Client while the issuer remains on the Muzinich Group's restricted list. In these circumstances, the Muzinich Group has no responsibility or liability to the Muzinich Group Client for not disclosing the information to the Muzinich Group Client (or the fact that the Muzinich Group possesses such information), or not using such information for the Muzinich Group Client's benefit, as a result of following its policies and procedures or applicable law.

The majority of trades made for Muzinich Group Clients are executed through the open market and it is the Muzinich Group's policy to generally prohibit cross trades. However, when the Muzinich Group believes, on a limited case-by-case basis, it is in the best interest of all Muzinich Group Clients involved, such as an account liquidation or large withdrawal of funds, it could engage in "cross trading" – a transaction where one or more Muzinich Group Clients purchases securities from one or more other Muzinich Group Clients. In such circumstances, and where consistent with the Muzinich Group's duty to seek best execution, the Muzinich Group will select an unaffiliated third party broker-dealer to facilitate the cross trade, the Muzinich Group Clients will pay a transaction based fee to the third party broker-dealer, but the Muzinich Group will receive no transaction-based compensation from the transaction. Where a Muzinich Group Client that is a fund registered under the Investment Company Act is involved, the transaction will be executed in accordance with the provisions of Rule 17a-7 under the Investment Company Act of 1940. In other cases, the transaction will be executed in a manner, and at a price, that the Muzinich Group believes to be fair for all involved Muzinich Group Clients. The Muzinich Group has adopted procedures to seek the fair treatment of Muzinich Group Clients in cross trades, including procedures that prohibit certain Muzinich Group Clients in which the Muzinich Group or its employees hold more than a 25% interest, from participating in cross trades. Furthermore, it is the Muzinich Group's policy not to conduct cross trades for its Muzinich Group Clients that are subject to the Employee Retirement Income Security Act of 1974.

c) Other Conflicts of Interest – Material Non-Public Information/Insider Trading

From time to time, the Muzinich Group or its personnel will obtain material non-public information about an issuer of a particular investment. The Muzinich Group has implemented policies and procedures that are reasonably designed to prevent the misuse by the Muzinich Group and its personnel of material non-public information about the Muzinich Group's securities recommendations and Clients' securities holdings and transactions (the "Insider Trading Policy"). The Insider Trading Policy is designed to comply with the requirements of the Advisers Act and other federal securities laws. The Insider Trading Policy requires that all Muzinich Group employees abide by the following guidelines:

- Except as expressly advised by the Muzinich Group's compliance department, an employee cannot buy or sell (or recommend, advise or solicit the purchase or sale), for any account

(personal or Muzinich Group Client), an investment of any issuer about which the employee or the Muzinich Group possesses material non-public information.

- All employees are required to safeguard the confidentiality of any non-public information that could be in their possession and to ensure that such information is not used improperly or in a manner inconsistent with the specific purpose for which it was created or obtained and to avoid situations that might create an appearance of such misuse.
- A Muzinich Group employee must notify the Muzinich Group compliance department immediately if he or she believes that he or she has obtained any material non-public information about any issuer. Muzinich Group employees should not disclose such information to any other person without obtaining permission from the Muzinich Group compliance department.
- If there is any doubt as to whether information a Muzinich Group employee possesses is material or non-public, the affected employee should conduct him/herself as though it were and contact the Muzinich Group compliance department for further guidance.

Where the Muzinich Group is in possession of material non-public information about an issuer, it may be unable to purchase or sell securities or loans of that issuer on behalf of the Muzinich Group Clients, even if it would be otherwise advisable to do so. This could prevent Clients from capitalizing on investment opportunities or mitigating losses.

The Muzinich Group's policies allow for the purchase and sale of certain loan interests while in possession of material non-public information, where the Muzinich Group is on the "private side" of the transaction. The Muzinich Group could decline to receive certain information available to loan market participants which can include material nonpublic information about a loan issuer, in order to avoid trading restrictions with regard to securities of that issuer that could be of interest to the Muzinich Group, even though access to such information would otherwise have been advantageous to a Muzinich Group Client investing in loans. Clients could be adversely affected by such restrictions.

d) Other Conflicts - Non-Exclusive Services

As 1988 Asset Management is wholly owned by a global investment management firm, Muzinich, that offers a wide variety of investment strategies and services, 1988 Asset Management and the Muzinich Group's services to each Muzinich Group Client are not exclusive. Accordingly, various conflicts of interest arise in connection with the Muzinich Group's advisory activities on behalf of numerous Muzinich Group Clients. In addition, 1988 Asset Management utilizes many of Muzinich's resources, as noted in Item 10(c) – Business Relationships with Certain Related Persons. The Muzinich Group and its employees could have an incentive to devote more resources, time or attention to certain Muzinich Group Clients or investors than others, based on pecuniary (including interests in performance compensation paid by certain investors or Muzinich Group Clients) or other interests.

The Muzinich Group can effect transactions for the accounts of one or more Muzinich Group Clients that differ materially from the advice given, or the time or nature of action taken, with respect to one or more other Muzinich Group Clients and, therefore, the results of the Muzinich Group's investment activities for a Muzinich Group Client can differ significantly from the results achieved by the Muzinich Group for other Muzinich Group Clients. Furthermore, the Muzinich Group can give advice, and take action, with respect to a Muzinich Group Client that could compete or conflict with the advice the

Muzinich Group can give to, or an investment action the Muzinich Group could take on behalf of, other Muzinich Group Clients. Accordingly, the Muzinich Group can buy or sell positions for one Muzinich Group Client while the Muzinich Group is undertaking for another Muzinich Group Client the same or a different, including potentially opposite, strategy or position. For instance, the Muzinich Group can take short positions in the securities of certain issuers for the account of a Muzinich Group Client at the same time that other Muzinich Group Client accounts hold or acquire the securities and/or syndicated loans of such issuers. The short position could result in the impairment of the price of the long position(s) held, or could be designed to profit from a decline in the price of the applicable securities and/or loans. Moreover, a Muzinich Group Client account could similarly be adversely impacted if it establishes a short position, following which one or more other Muzinich Group Client accounts takes a long position in the same or similar securities and/or syndicated loans.

Furthermore, the timing of transactions entered into or recommended by the Muzinich Group, on behalf of itself or Muzinich Group Clients, could negatively impact certain other Muzinich Group Client accounts or benefit certain other Muzinich Group Client accounts. For example, if, the Muzinich Group, on behalf of one or more Muzinich Group Client accounts, implements an investment decision or strategy ahead of, or contemporaneously with, or behind similar investment decisions or strategies made for other Muzinich Group Client accounts, it could result, due to market impact or other factors, in liquidity constraints or in certain Muzinich Group Client accounts receiving less favorable investment or trading results or incurring increased costs. Similarly, the Muzinich Group could implement an investment decision or strategy that results in a purchase (or sale) of a security for one Muzinich Group Client account that can increase the value of such security already held by another Muzinich Group Client account (or decrease the value of such security that such other Muzinich Group Client account intends to purchase), thereby benefitting such other Muzinich Group Client account.

Conflicts also could arise in cases where different Muzinich Group Clients invest in different parts of an issuer's capital structure. For example, the Muzinich Group can invest in senior debt obligations of an issuer for one Muzinich Group Client and junior debt obligations or equity of the same issuer for another Muzinich Group Client. Accordingly, one Muzinich Group Client might recover all or part of its investment while the other Muzinich Group Client might not. Moreover, Muzinich Group Clients will not be required to take any action or refrain from taking any action to mitigate another Muzinich Group Client's losses in such a scenario. In negotiating the terms and conditions of any such investments, or any subsequent amendments or waivers or taking any other actions, the Muzinich Group could find that the interests of a Muzinich Group Client and the interests of one or more other Muzinich Group Clients could conflict. In these situations, decisions over items such as whether to make or exit an investment, exercise certain rights or take or determine not to take an action, and/or the voting of proxies (including any such matters in respect of a corporate reorganization or bankruptcy or similar matters (including, for example, whether to trigger an event of default or the terms of any workout)) could result in conflicts of interest.

Similarly, if an issuer in which a Muzinich Group Client and one or more other Muzinich Group Clients hold different classes of securities (or other assets, instruments or obligations issued by such issuer) encounters financial problems, decisions over the terms of any workout will raise conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). For example, a debt holder could be better served by a liquidation of the issuer in which it could be paid in full, whereas an equity holder might prefer a reorganization that holds the potential

to create or retain value for the equity holders. Furthermore, the Muzinich Group could choose to participate in certain ad hoc or other committees on behalf of its Muzinich Group Clients as part of such restructuring, work out or bankruptcy processes. In such instances, the Muzinich Group could, by virtue of receipt of material non-public information with respect to the issuer, become restricted from transacting on behalf of Muzinich Group Clients in the securities or other instruments of such issuer. Moreover, in situations in which Muzinich Group Clients hold positions in multiple parts of the capital structure of an issuer and/or in situations in which Muzinich Group Clients' interests could otherwise diverge, the Muzinich Group could determine not to participate in such a committee in order to mitigate conflicts. Muzinich Group Clients could be disadvantaged by the Muzinich Group's refraining from serving in such capacity.

In some cases the Muzinich Group could refrain from taking certain actions or making certain investments on behalf of Muzinich Group Clients in order to avoid or mitigate certain conflicts of interest or to prevent adverse regulatory or other effects on the Muzinich Group, or can sell investments for certain Muzinich Group Clients (in each case potentially disadvantaging the Muzinich Group Clients on whose behalf the actions are not taken, investments not made, or investments sold). For instance, in circumstances in which Muzinich Group Client accounts including one or more registered investment funds would be positioned to make side-by-side investments or otherwise take action with respect to an issuer in which such Muzinich Group Client accounts hold an investment, the Muzinich Group, acting on behalf of the Muzinich Group Client accounts, could be limited in the terms of the transactions that it can negotiate under applicable law. In some cases, this has the effect of limiting the ability of certain Muzinich Group Client accounts from participating in certain transactions or result in terms to Muzinich Group Client accounts that are less favorable than would have otherwise been the case. Forgone investment opportunities or actions could adversely affect the performance of a Muzinich Group Client's account if similarly attractive opportunities are not available or cannot be identified. In other cases, the Muzinich Group may not refrain from taking actions or making investments on behalf of certain Muzinich Group Clients that have the potential to disadvantage other Muzinich Group Clients. In addition, the Muzinich Group could take actions or refrain from taking actions in order to mitigate legal risks to the Muzinich Group or Muzinich Group Clients even if disadvantageous to a Muzinich Group Client's account.

Furthermore, from time to time, the Muzinich Group could be presented with the opportunity to invest in securities and/or loans of an issuer as a result of one or more Muzinich Group Client accounts holding an existing position in securities and/or loans of such issuer or its affiliates. Such follow-on investments can create conflicts of interest, such as the determination of the terms of the new investment and the allocation of such opportunities among Muzinich Group Client accounts. Follow-on investment opportunities can be available to Muzinich Group Client accounts with no existing investment in the issuer, resulting in the assets of a Muzinich Group Client account potentially providing value to, or otherwise supporting the investments of, other Muzinich Group Client accounts. See Item 12(e) – Brokerage Practices; Aggregation and Allocation of Trades.

ITEM 12: BROKERAGE PRACTICES

a) Selection of Broker-Dealers

In placing orders for purchase and sale of investments and selecting broker-dealers to effect transactions, the Muzinich Group seeks prompt execution of orders at the most favorable prices reasonably obtainable under the circumstances and in doing so will consider a number of factors, including, without limitation, the overall direct net economic result to the Muzinich Group Client, the financial strength, reputation and stability of the broker-dealer, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the settlement capabilities of the broker-dealer and the willingness of the broker-dealer to stand ready to execute possibly difficult transactions in the future. After giving account to all of these considerations, the Muzinich Group could cause an account to pay commissions or spreads which could not be the lowest available, but which ordinarily will not be higher than the generally prevailing competitive range. It should be noted however, that the Muzinich Group maintains a list of approved broker-dealers (the “Approved Broker List”) which have been approved for trading by the Muzinich Group after conducting due diligence, and only trades through broker-dealers on such Approved Broker List. Additionally, the Muzinich Group’s selection of a broker-dealer can be limited for certain accounts due to legal restrictions.

In selecting brokers to execute transactions and determining the reasonableness of their compensation, the Muzinich Group is not required to solicit competitive bids and does not have an obligation to seek the lowest available commission cost or price.

The Muzinich Group’s Best Execution Committee is responsible for reviewing the quality and value of the services provided by broker-dealers used and for monitoring any commission levels paid to these broker-dealers. The Best Execution Committee will periodically monitor trading to ensure that best execution has been achieved in accordance with its policies and procedures.

b) Soft-Dollar Arrangements

As a matter of policy, the Muzinich Group, including 1988 Asset Management, does not have in place any “soft dollar” arrangements, and 1988 Asset Management will not pay higher commission or mark-up prices or direct trades to a particular broker-dealer in order to receive specific research or other services. The Muzinich Group could, however, receive proprietary, over the transom, research from broker-dealers through which it executes transactions. The desire to receive research could influence the Muzinich Group’s, including 1988 Asset Management’s, brokerage decisions and the receipt of over-the-transom research from brokers benefits the Muzinich Group in that it is not required to purchase or develop such research itself. Subject to the Firm’s Best Execution Policy, 1988 Asset Management will from time-to-time allocate securities or loan transactions to these brokerage firms.

c) Brokerage for Client Referrals

1988 Asset Management generally does not consider, in selecting or recommending a broker-dealer, whether the Firm or a related person receives client referrals from that broker-dealer. However, 1988 Asset Management executes securities transactions through brokers (or their affiliates) who also market 1988 Asset Management CLOs or otherwise make such 1988 Asset Management CLOs and/or other Muzinich Group Clients available to potential investors. In certain circumstances, the

Muzinich Group and/or Muzinich Group Clients (including a 1988 Asset Management CLO) compensate these brokers or their affiliates in connection with these arrangements (including, for example, a placement agent fee paid by a Client). This practice creates a conflict of interest because 1988 Asset Management has an incentive to select or recommend a broker based on its interest in receiving client referrals and/or investor referrals for 1988 Asset Management CLOs or other Muzinich Group Clients. Moreover, the allocation of transactions to brokers who (or that have affiliates who) market 1988 Asset Management CLOs and/or other Muzinich Group Clients or otherwise make the Muzinich Group's products available to their clients is subject at all times to its obligation under the Firm's Best Execution Policy to seek best execution.

d) Directed Brokerage

While the Firm does not typically accept clients who require it to execute transactions through a specific broker-dealer, the Firm does have the discretion to accept such clients. Currently the Firm does not have any Clients who require it to execute transactions through a specific broker-dealer.

e) Aggregation and Allocation of Trades

The Muzinich Group is committed to transacting in assets in a manner that is consistent with the investment objectives of each Muzinich Group Client, and to allocating investment opportunities (including purchase and sale opportunities) among Muzinich Group Clients in a fair and equitable manner over time. If the Muzinich Group is presented with an investment opportunity that falls within the investment objectives of more than one Muzinich Group Client, the Muzinich Group will allocate the opportunity among one or more of such Muzinich Group Clients in a manner that the Muzinich Group deems to be fair and equitable over time, taking into consideration such factors as: (i) investment guidelines and restrictions; (ii) investment horizons; (iii) current portfolio holdings and weightings; (iv) cash availability; (v) risk levels; (vi) liquidity requirements; (vii) tax considerations; (viii) legal and/or regulatory considerations; and (ix) other criteria the Muzinich Group deems relevant (the nature and extent of the differences will vary from Muzinich Group Client to Muzinich Group Client).

The Muzinich Group will typically allocate high yield bond transactions to Muzinich Group Client accounts in round lots and minimum increments as imposed by (i) the Muzinich Group based on the market in which the assets are traded, and/or (ii) the issuers of such bonds.

When open orders to purchase or sell the same assets on identical terms are placed on behalf of more than one Muzinich Group Client account through the same broker/dealer, they are typically aggregated and allocated as to amount in accordance with the original order placed for each Muzinich Group Client account. This aggregation is done to facilitate best execution by reducing overall transaction costs; however, the Muzinich Group can choose not to aggregate where it believes appropriate.

Additional Considerations for New Issues and/or Partially Filled Transactions

In the event that an order is not completely filled in a single transaction, it is considered a "partial fill". In such cases, it is important that the transaction is allocated fairly among all participating Muzinich Group Client accounts. Partial fills are generally allocated to Muzinich Group Client accounts on a pro-rata basis to the original order placed for each Client account. Reasons for allocating asset transactions on a basis different from pro rata include without limitation: (i) to avoid

odd-lot sizes; (ii) to meet the Muzinich Group and/or issuer's minimum trade lot sizes; (iii) to reach target fills in a market efficient manner; (iv) the need for, or availability of, cash to complete the transaction; (v) whether the transaction would result in a meaningful position for the Muzinich Group Client's account; and (vi) the availability of an alternative investment in the same asset or industry.

Subject to a Muzinich Group Client's investment objectives and restrictions, the Muzinich Group can invest Muzinich Group Client assets in new issues. New issues frequently are in great demand and available only in limited quantities. Moreover, new issues frequently trade at a premium shortly after issuance. When determining whether a Muzinich Group Client should invest in a new issue investment opportunity, the Muzinich Group considers, among other relevant factors, the account's investment strategy. For instance, some Muzinich Group Clients' investment strategies seek to capture short-term opportunities – such as those that the Muzinich Group perceives can exist for certain new issues – whereas other Muzinich Group Clients have longer-term investment strategies. Since new issues can trade at a premium over the new issue price shortly after their issuance, Muzinich Group Clients whose strategies seek to capture such short-term opportunities could be able to quickly sell new issues and could therefore significantly benefit from such investments, should they be profitable, while it is possible that other Muzinich Group Clients with longer-term investment horizons will not be able to benefit.

Because orders for new issues are often only partially filled, accounts participating in the original order can receive only a portion of the amount requested or cannot receive any allocation at all. Accordingly, the Muzinich Group seeks to allocate such opportunities in a fair and equitable manner over time, in accordance with the aggregation and allocation policies with respect to partial fills described above. See also Item 8(b) – Methods of Analysis, Investment Strategy and Risk of Loss; Material Risks of Investment Strategy.

Additional Considerations for Loans

In certain circumstances, loan transactions could be allocated in a manner different than that described above. In particular, if portfolio managers seek to purchase for Muzinich Group Client accounts a particular loan that is being issued to replace or refinance an existing loan and some Muzinich Group Client accounts already own the existing loan, the accounts that own the existing loan could receive priority with respect to the new loans, up to the amount of their current holdings. This means that other Muzinich Group Client accounts could not have the opportunity to purchase the loan in question if the accounts that already hold loans of that issuer absorb the available supply.

In the case of a partial fill, the Muzinich Group can consider additional factors when allocating loan transactions to Muzinich Group Client accounts, including but not limited to: (i) transfer fees paid on a Muzinich Group Client basis; and (ii) whether the transaction would result in a meaningful position for the Muzinich Group Client's account.

Additional Considerations for 1988 Asset Management Client Transactions

Once a partially filled order has been preliminarily allocated among Muzinich Group Clients (in the manner described above) the Firm can make certain adjustments to the allocation as between 1988 Asset Management CLOs as further described in this section. The adjustments described herein will in no way affect the allocations granted to Muzinich Group Clients that are not 1988 Asset Management CLOs.

Specifically, if a 1988 Asset Management CLO is failing or at risk of failing a “test” under its investment guidelines and restrictions and a partially filled order would assist that CLO in curing, improving and/or maintaining its position with respect to the test, then the Firm will generally adjust allocations as between 1988 Asset Management CLOs to allocate all or a relatively larger portion of the order to the affected CLO.

Additionally (but subject to the foregoing paragraph), the Firm will generally adjust the allocation of partially filled orders as between 1988 Asset Management CLOs in favor of 1988 Asset Management CLOs that are Warehouses. In general, at any given time, 1988 Asset Management CLOs that are Warehouses are more likely to benefit from this policy, and earlier-formed 1988 Asset Management CLOs are likely to be negatively impacted. Where there is more than one Warehouse open at any given time, the Firm will generally adjust the allocation in favor of the Warehouse that is closest to the anticipated closing.

Because of the adjustments described herein, certain 1988 Asset Management CLOs could receive full allocations while other 1988 Asset Management CLOs (which can include Warehouses) receive only a portion (or none) of the amount requested. These allocations can have the result of accelerating or increasing the fees from, or other pecuniary interests that 1988 Asset Management has in, the 1988 Asset Management CLOs (including Warehouses).

For the avoidance of doubt, the foregoing considerations with respect to allocation among 1988 Asset Management CLOs will in no way affect the allocation received by any Muzinich Group Client that is not a 1988 Asset Management CLO. The foregoing considerations will affect the allocation of scarce investment opportunities only as between 1988 Asset Management CLOs.

ITEM 13: REVIEW OF ACCOUNTS

a) Client Account Reviews

1988 Asset Management portfolio managers review Client portfolios on a periodic basis in light of Client objectives and guidelines and in response to market events and the Muzinich Group's general policies and strategies. In addition, the Muzinich Group's portfolio managers meet regularly to consider economic, market and general investment matters not related to specific Muzinich Group Clients. No single Muzinich Group Client is the sole responsibility of any one portfolio manager. 1988 Asset Management CLOs are managed and monitored daily by its portfolio managers. Members of the Muzinich Group's Portfolio Risk Analytics Committee review portfolios at least monthly to monitor performance consistency among Clients with similar objectives.

In addition, the Firm has tools at its disposal to assess and monitor overall compliance of Client accounts with their stated investment objectives. For example, 1988 Asset Management employs a third party compliance system that has automated controls to help review investment transactions to confirm they are made in accordance with Client investment mandates.

b) Client Reports

Investors in 1988 Asset Management CLOs typically receive reports from the trustee for the 1988 Asset Management CLOs as to the 1988 Asset Management CLOs' compliance with the underlying indenture requirements and the general performance of the vehicle. Although all investors generally receive similar information, to the extent an investor receives information that is not otherwise provided to 1988 Asset Management CLOs via the regular reports, such information could provide such investor with greater insight into the 1988 Asset Management CLO's activities. This could enhance such investor's ability to make investment decisions with respect to the 1988 Asset Management CLO. The Firm also offers regular conference calls, in-person meetings and monthly account update letters to investors in 1988 Asset Management CLOs and considers ad hoc and customized reporting requests.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

1988 Asset Management does not receive economic benefits from non-clients in exchange for providing investment advice and other advisory services.

ITEM 15: CUSTODY

1988 Asset Management does not hold Clients' funds or securities or have the authority to obtain possession of them for purposes other than authorized trading.

ITEM 16: INVESTMENT DISCRETION

As discussed in Item 4 – Advisory Business, above, subject to each Client’s established guidelines, limitations or restrictions, 1988 Asset Management generally has the authority to determine for each Client: (a) which investments are to be bought or sold; (b) the total amount of investments to be bought or sold; (c) through which broker-dealers those investments are to be bought or sold; and (d) the commission rates or spreads to be paid for each transaction. Authority is typically granted in a collateral management agreement between the Client and the Firm. Limitations and restrictions are included in the applicable Governing Documents for each Client.

ITEM 17: VOTING CLIENT SECURITIES

a) Firm Proxy Voting Authority

The collateral management agreements entered into between 1988 Asset Management and its Clients and the indentures governing the Clients typically grant 1988 Asset Management the authority to vote proxies on behalf of its Clients. From time to time, companies in which the Muzinich Group invests could submit certain matters to a vote of its security holders. The right to vote is usually exercised through a document called a proxy where the security holder enters its vote.

The Muzinich Group has adopted Proxy Voting Policies and Procedures pursuant to Rule 206(4)-6 of the Advisers Act designed to confirm that proxies are voted prudently and solely in the best interest of the applicable Muzinich Group Clients. In the event that a conflict of interest exists between management's recommendation and the Muzinich Group or the Muzinich Group Clients, the Firm will vote in the manner which in its judgment and sole discretion is in the best interest of the applicable Muzinich Group Clients.

As the investments held by, and actions taken with respect to, different Muzinich Group Clients will depend on the particular interests of those Muzinich Group Clients (which may not be aligned, particularly where Muzinich Group Clients hold different, or overlapping but not identical, investments in an issuer), decisions made by the Muzinich Group for one Muzinich Group Client could differ in some cases from those made for other Muzinich Group Clients. Actions taken for one Muzinich Group Client in that Muzinich Group Client's interest could adversely impact other Muzinich Clients.

In cases where an issuer in which multiple Muzinich Group Clients hold interests acquired at different points in time or in different positions within the issuer's capital structure experiences financial distress, there is a potential for conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). When called upon to take action with respect to an investment (e.g., to sell, to vote, or to exercise a right or remedy) a Muzinich Group Client's overall holdings, and related rights, can be such that it is in the Muzinich Group Client's best interest to take action (or refrain from taking action) in a manner that would be contrary to the interest of a person holding only the particular class of interest on which the right is conferred. In these circumstances, Muzinich Group Clients that have invested in some, but not all, of the relevant classes of interests of the issuer held could be disadvantaged.

When considering whether to pursue a particular course of action, including asserting available claims or remedies, factors that could be considered include the costs of pursuing the course of action (or alternative courses of action) and the likelihood of a favorable outcome. As a result, not every potential claim or course of action will be pursued and it will not always be the case that conflicts will be able to be resolved in the best interest of any particular Muzinich Group Client nor can there be any assurance that actual or potential conflicts of interest can be resolved such that the ultimate terms of an investment (or an amendment to such terms) will be as favorable as they would be in the absence of such conflicts.

The Muzinich Group may choose not to vote the proxies in certain situations or for certain Muzinich Group Clients, such as (i) the Muzinich Group Client no longer owns the security at the voting deadline; (ii) the Muzinich Group Client has tendered the security before the voting deadline; (iii) the Muzinich Group Client has informed the Muzinich Group that it wishes to retain the right to vote the proxy,

(iv) the Muzinich Group deems the cost of voting would exceed any anticipated benefit to the Muzinich Group Client; or (v) the proxy is received for an account for which the Muzinich Group no longer acts as investment manager, investment adviser or sub-adviser at the voting deadline.

The Firm does not direct Clients' participation in class actions unless outlined in the Governing Documents or otherwise agreed with the Client.

Clients can request a copy of 1988 Asset Management/Muzinich Group's Proxy Voting Policy and a record of its proxy votes with respect to the Client's securities by writing or calling the Firm as follows:

1988 Asset Management, LLC
Attn: Chief Compliance Officer
450 Park Avenue
New York, NY 10022
(212) 888-3413
compliance@muzinich.com

b) Client Proxy Voting Authority

Clients who do not grant 1988 Asset Management discretion to vote proxies on their behalf are responsible for voting their own proxies and, if they desire to do so, must arrange to receive proxy materials from the relevant custodians or transfer agents.

ITEM 18: FINANCIAL INFORMATION

This item requires disclosure of any financial condition that is reasonably likely to impair 1988 Asset Management's ability to meet contractual commitments to Clients. Currently, there is no financial condition that is reasonably likely to impair the Firm's ability to meet contractual commitments to Clients.