

Obra Capital Management, LLC

Part 2A of Form ADV

Brochure



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This brochure provides information about the qualifications and business practices of Obra Capital Management, LLC ("OCM"). If you have any questions about the contents of this brochure, please contact us at 512-961-8265. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

OCM is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). However, such registration does not imply a certain level of skill or training.

Additional information about OCM is also available on the SEC's website at: www.adviserinfo.sec.gov.

Item 2. Material Changes

This Brochure contains information about OCM. This Brochure has been updated since the last filing of this Brochure on December 20, 2022, to reflect additional information relating to OCMs management of Client accounts.

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 Fund (as defined below)
- a complete discussion of the features, risks or conflicts associated with any Fund

As required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), OCM provides this Brochure to current and prospective investors and may also, in its discretion, provide this Brochure to current or prospective investors with other relevant Governing Documents (as defined in *Item 4. Advisory Business* below), such as private offering memorandum. Although this publicly available Brochure describes investment advisory services and products of OCM, persons who receive this Brochure (whether or not from OCM) should be aware that it is designed solely to provide information about OCM as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant Governing Documents. More complete information about each Fund is included in relevant Governing Documents, certain of which may be provided to current and eligible prospective investors only by OCM. 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

OCM is a Delaware limited liability company formed in August 2010 and registered with the Securities and Exchange Commission in November 2010. OCM provides investment advice using two principal investment strategies: (i) managing longevity-contingent and/or mortality-related assets, such as life settlements, annuities, loans, and other insurance-linked securities (“ILS”) products, and (ii) investing in the insurance, specialty finance, structured credit, asset-based finance and structured derivative sectors. Additional details about these strategies are included in *Item 8. Methods of Analysis, Investment Strategies and Risk of Loss* below.

OCM is wholly owned by its parent company Obra Capital, Inc., which is ultimately owned by Lynx Topco LP through various other entities disclosed in Schedule B of Form ADV Part 1.

OCM (either directly or via a wholly owned subsidiary) provides discretionary investment management services to the following affiliated pooled investment vehicles (each a “Fund”¹ or “Funds” and collectively with OCM’s separate managed account Clients, the “Clients”):

- Obra Insurance Special Situations Fund, LP (“OISSF”), a Delaware limited partnership, whose general partner is Obra Insurance Special Situations Fund GP, LP, (“OISSF GP”), a Delaware limited partnership and wholly-owned subsidiary of OCM.
- Vida Longevity Fund, LP (“VLF”), a Delaware limited partnership, whose general partner is Vida Management I, LLC (“VMI”), a Delaware limited liability company and wholly-owned subsidiary of OCM.
- Vida Longevity Fund III, LP (“VLF III”), a Delaware limited partnership, whose general partner is Vida Management V, LLC (“VMV”), a Delaware limited liability company and wholly owned subsidiary of OCM.
- Vidaquant QIAIF ICAV (“VQ”), an Irish Collective Asset Management Vehicle, whose Alternative Investment Fund Manager (AIFM) is Intertrust Alternative Investment Fund Management (Ireland) Limited, and who is advised by OCM as a delegated investment manager.
- OCM is the subadvisor to the Vida Insurance Fund Series (“VIDF”), a series (“Series”) of the SALI Multi-Series IV, LP (“SALI”), a Delaware series limited partnership.
- OCM is the subadvisor to the Vida Insurance Fund II Series (“VIDF II”), a series (“Series II”) of SALI Multi-Series Fund, LP (“SALI MSF”), a Delaware series limited partnership.
- Vida Insurance Credit Opportunity Fund II, LP, (“VICOFF II”) a Cayman Islands exempted limited partnership whose general partner is Vida Insurance Credit Opportunity Fund II GP, LP (“VICOFF II GP”), a Cayman Islands exempted limited partnership and wholly-owned subsidiary of OCM.
- Vida Insurance Credit Opportunity Fund III, LP, (“VICOFF III”) a Cayman Islands exempted limited partnership whose general partner is Vida Insurance Credit Opportunity Fund III GP, LP (“VICOFF III GP”), a Cayman Islands exempted limited partnership and wholly-owned subsidiary of OCM.

¹ “Fund” means a private investment fund to which OCM provides investment advice and/or which OCM manages on a discretionary or nondiscretionary basis. The individuals and other persons that invest in the OCM private investment funds are generally referred to herein as “investors.” Unless otherwise expressly stated herein, the terms “Fund” and “Client” do not include “investors” and “investors” are not considered to be “Clients” of OCM.

OCM has also entered into investment management agreements to provide discretionary investment management services to separate account Clients.

OCM's services to its Clients consist of (i) investigating, identifying, and evaluating investment opportunities; (ii) structuring, negotiating, and making investments on behalf of the Clients; (iii) managing and monitoring the performance of such investments; and (iv) exiting such investments on behalf of the Clients. OCM's services to each Client are subject to the specific investment objectives and restrictions applicable to such Client, as set forth in such Client's investment management agreement, limited partnership agreement, offering memorandum or other governing documents (collectively, the "Governing Documents").

The Funds are offered exclusively to individuals and other persons who qualify as "accredited investors" under Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and/or "qualified purchasers" as defined under Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "Investment Company Act") and are therefore not required to register as investment companies with the SEC in accordance with the exemptions set forth in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act, where may otherwise be required.

Investors and prospective investors in each Fund should refer to the Governing Documents of that Fund for information on the investment objectives and investment restrictions with respect to that Fund. There can be no assurance that any of the Funds' investment objectives will be achieved. As such, OCM's services are generally not tailored to the individualized needs of any particular investor in any Fund. Since OCM does not provide individualized advice to investors (and an investment in any Fund does not, in and of itself, create an advisory relationship between the investor and OCM), investors must consider whether a particular Fund meets their investment objectives and risk tolerance prior to investing.

OCM also provides advisory services to separate account Clients. OCM expects to provide advisory services to separate accounts that may be either materially similar to or different from the Funds. Terms of investments, including objectives, limitations and strategies for separate account Clients, are governed exclusively by the terms of the applicable investment management agreement or other Governing Documents of each client. A separate account client may impose restrictions on investments for its account.

As of December 31, 2022, OCM had approximately \$275 million in Regulatory Assets Under Management, which is defined as the gross value of all Client accounts to which OCM provides continuous and regulatory supervisory or management services and which meet the definition of a "securities portfolio" as defined by the U.S. Securities and Exchange Commission. Only some of the Client accounts managed by OCM meet the criteria to be included as Regulatory Assets Under Management. Discretionary net assets under management of OCM for all Clients, including Client accounts that are not securities portfolios, totaled approximately \$3.8 billion as of December 31, 2022.

Item 5. Fees and Compensation

Compensation received by OCM (or one of its wholly owned subsidiaries) is generally comprised of fees based on a percentage of assets under management, carried interest and performance allocations.

In general, management fees charged by OCM to its Clients range up to 2% per annum of the net asset value of each Client's account or, in the case of certain accounts and closed-end Funds, up to 2% of committed capital during the investment period and up to 2% of the unreturned capital balance after the investment period, as set forth in the applicable investment management agreement or other account Governing Documents.

Management fees for advisory services are directly deducted from the assets of each Client account as such fees become payable, either monthly or quarterly, in advance or in arrears depending on the Client, prorated for any period that is less than a full fiscal quarter or month, as applicable, and adjusted for additional capital contributions or commitments occurring during the period. Some Client accounts are structured as commitment-based accounts and, as a result, withdrawals of capital are not permitted, and refunds of any management fees paid in advance will not occur.

In general, a performance allocation charged to a Client account is equal to a percentage, generally up to 20%, of the annual net appreciation of the Client's (or each investor's) account, calculated and payable annually in arrears, as set forth in the applicable investment management agreement or other account Governing Documents. A private equity-style carried interest charged to a Client account is generally calculated and paid as a percentage, generally up to 20%, of the net distributions to the Client or its investors in excess of their invested capital and, in some cases, in excess of an agreed preferred return to the Client.

Fees for separate account Clients are negotiable. OCM (or one of its wholly owned subsidiaries) may enter into side letter agreements with some investors in the Funds varying the terms of their investment, including lower fee arrangements. Current and prospective Clients (as well as current and prospective investors in Funds) should carefully review all fees charged by OCM (or one of its wholly owned subsidiaries).

Additional Fees

In certain instances, OCM may decide that it is in the best interest of a Client to convert a term life insurance policy held by the Client into a permanent or universal life insurance policy. In connection with such conversions, the Client holding the policy being converted will be required to pay conversion premiums with respect to the policy being converted to the life insurance carrier.

Certain affiliates of OCM are licensed insurance agents and may facilitate such a conversion. In this instance, the Client holding the policy would be obligated to pay the conversion premium to the carrier and the carrier would in turn pay a commission to an OCM affiliate for facilitating the conversion. To mitigate any potential conflict of interest, the amount of any such commission received by an affiliate of OCM will be applied to offset the management fee payable by the Client that owns the converted policy. If the amount of commission applied to reduce the management

fee exceeds the amount of management fee due in any quarter, OCM shall continue to apply the remaining portion of such commission against the management fee for each succeeding quarter until the full amount of the commission has been so applied. If any excess commission remains at the termination of the Client account or dissolution of the Fund, such excess shall be distributed pro rata to the Client or its limited partners (other than any limited partner that elects in writing upon or prior to admission not to receive such excess).

OCM or its affiliates have in the past received compensation in a form of mark-ups generated due to cross-trades between Client accounts. These trades generally were priced and traded at their net asset value or net asset value plus a markup. Such markups were retained by the Client and any difference between the cost basis and the price traded was retained by OCM or an affiliate. OCM does not intend to engage in such trades as a general course of business. All such cross-trades were reviewed and approved by the applicable Fund's Limited Partner Advisory Committee ("LPAC").

Magna Life Settlements, Inc. ("Magna"), an affiliate of OCM, is a licensed originator that facilitates the sale of life insurance policies to Clients. Magna receives origination fees for life settlement assets it facilitates for the Clients. Additionally, for other assets that a Fund or separate account may acquire, there is the potential for OCM or an affiliated entity to receive some form of origination fee based upon the size of the transaction or asset and/or to receive an on-going servicing or administrative fee for the maintenance of such assets. As discussed below in *Item 12. Brokerage Practices*, any fees paid to Magna or to OCM or an affiliated entity for these activities are considered transaction costs, paid by the Clients, and not offset against the management fees payable by the Clients.

Expenses

OCM and its affiliates generally pay all their own operating and overhead costs and expenses, including salaries, benefits and rent. In addition to the management fees and performance-related compensation payable to OCM or its affiliates, investors' capital accounts bear their proportionate shares of the operating fees and expenses incurred by the Funds. Separate account Clients bear similar fees and expenses as the Funds, as agreed upon and set forth in the applicable investment management agreement or other Governing Documents. Those fees vary, but typically include, but are not limited to, brokerage commissions; legal and compliance costs; research expenses; audit and accounting fees; commitment fees and interest expenses associated with lines of credit established for the Funds or separate accounts; and administrative fees and custodial and transaction costs paid to custodians, brokers and other third parties. Client accounts may also bear fees and expenses related to the identification, investigation, origination, acquisition and maintenance of investments other than life settlements, including origination or servicing fees, all or part of which may be payable to OCM or its affiliates as described in the Governing Documents of each Client Account. Investors should review the Funds' operating and offering documents for further descriptions of expenses paid by a Fund and all fees charged by OCM, custodians, brokers and other third parties to fully understand the total amount of fees and expenses to be paid by the Funds. Likewise, separate account Clients should review applicable investment management agreements or other account Governing Documents for further descriptions of applicable fees and expenses.

See *Item 12. Brokerage Practices* below for additional information regarding transaction costs and *Item 14. Client Referrals* below for additional information.

The types of other fees and expenses incurred will vary from Client to Client. Please refer to the Governing Documents of each applicable Fund or separate account client for more complete information.

Item 6. Performance Based Fees and Side-by-Side Management

As discussed in *Item 5. Fees and Compensation*, affiliates of OCM are entitled to receive performance-based compensation from the Clients. The fact that OCM, or one of its affiliates, is compensated based on such profits creates an incentive for OCM to make investments on behalf of the Funds or separate accounts which could be riskier or more speculative than would be the case in the absence of such compensation. Also, since different Clients are subject to different incentive compensation payment obligations, there is an incentive for OCM to make trades for certain Clients over others. Incentive-based compensation creates an incentive for OCM to favor Clients that pay incentive-based compensation over other Clients that do not pay incentive-based compensation, and to favor Clients that pay higher incentive-based compensation over other Clients that pay lower incentive-based compensation.

OCM understands the existence of these conflicts, and therefore seeks to ensure that investment opportunities are allocated to the Funds and separate accounts on a fair and equitable basis over time. For example, OCM has a process for allocating assets among and between Clients to ensure fair and equitable allocation of investment opportunities over time. Assets identified by OCM for purchase which are only eligible for one particular OCM Client, according to the investment criteria and Governing Documents of the relevant OCM Clients, are allocated to such Client if the Client has available capital. If an asset is eligible to be purchased by multiple Clients, then OCM allocates the asset among Client accounts in accordance with its allocation policy.

In the case of life insurance policies, OCM periodically aggregates a list of policies that are eligible for purchase by multiple OCM Clients. All Clients with sufficient capital to purchase policies, and for which the purchase is appropriate, participate in the allocation process. The process then randomly allocates policies between OCM Clients after taking into account specific restrictions contained in the Governing Documents applicable to each Client and other relevant considerations. These restrictions and considerations include: available capital to be spent by the Client, life insurance carrier concentration, age or life expectancy of the insured individual, amount of purchase price or face value, the remaining term and existing investment portfolio of the Client, and other considerations that may be identified from time to time. The OCM Allocation Policy currently in effect will be provided to current or prospective Clients and investors upon request.

Item 7. Types of Clients

As discussed in *Item 4. Advisory Business* above, OCM provides investment advisory services to its Clients, including the Funds. Investment advice is provided directly to the Funds, subject to the direction and control of OCM, and not individually to the Funds' investors. OCM also provides investment advisory services to separate account Clients.

Details concerning applicable investor suitability criteria are set forth in each Fund's Governing Documents. Generally, each investor in a Fund is required to meet certain suitability qualifications, such as being (a) an "accredited investor" as defined under Rule 501 of Regulation D of the Securities Act, (b) a "qualified client" as defined in Rule 205-3 under the Advisers Act and/or (c) a "qualified purchaser" as defined under the Investment Company Act, where appropriate. Certain separate account Clients may be required to meet certain criteria as well, such as the "qualified client" standard.

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

The principal objective of OCM is to preserve capital and to seek long-term appreciation in the value of Client accounts. Depending on the investment strategy used to manage each Client account, OCM will attempt to achieve these objectives by investing in (i) life settlements and related assets or (ii) other investments in the insurance, specialty finance, structured credit, asset-based finance and structured derivative sectors.

Life Settlement Assets

A life settlement is an existing life insurance policy, sold to a third party for more than its cash surrender value but less than its death benefit. These policies generally insure the lives of elderly individuals or senior leaders in businesses and are no longer wanted or needed by the owners due to changes in the circumstances of the owner since the initial issuance of the policy.

OCM also considers purchasing other "life settlement assets", such as existing portfolios of life settlements, fractions of life settlements, synthetic instruments and derivative instruments related to life settlements, life settlement-backed notes, and annuities tied to life settlements, and will also evaluate for investment other opportunistic investments in mortality and/or longevity-related instruments or assets. Additionally, OCM might invest a Client's assets in short-term government obligations, certificates of deposit, commercial paper, various types of liquid or illiquid debt or equity instruments, general insurance related investments, or other liquid or illiquid obligations or assets or other general assets (which may or may not have a longevity or mortality linked component and which may take the form of direct lending activity or collateralized loan obligations, amongst others) that OCM deems beneficial, appropriate or consistent with the Client's objectives. Some of OCM's Funds may also invest in funds managed by other private managers that invest in life settlement assets.

Insurance Special Situation and Other Investments

Investments of Client accounts managed using OCM's insurance special situations strategy may invest in a wide range of assets, including, without limitation, insurance and reinsurance arrangements, loans, structured solutions, derivative contracts and/or more traditional capital markets instruments. Investments could be made in a wide range of sectors, including, for example, asset-backed loans, life-contingent structured settlements, broker commission streams, specialty and casualty reinsurance, litigation finance, longevity-and non-longevity related assets in a variety of forms, property and casualty reinsurance, structured credit, private credit, and investments in securities of companies engaged in any such activities and/or related businesses.

Risks

All investing involves a risk of loss. The following risk factors represent some of the risks associated with investing in the Funds and separate accounts managed by OCM. The following risk factors do not purport to be a complete list or explanation of the risks involved. Additional risks and uncertainties not currently known to OCM or that OCM currently believes to be immaterial may also materially and adversely affect OCM's investment strategies and the value of the investments. Investors and Clients should consider an investment in a Fund or separate account managed by OCM as involving a high degree of financial risk and should therefore carefully consider all risk factors set forth in the relevant offering, operational, and/or governing documents or relevant investment management agreements of each Fund or separate account.

Each prospective Client or investor should carefully review such agreements, offering and/or operational documents, as applicable, which contain more detailed descriptions of the risks involved, before deciding to make an investment in any Fund or to engage OCM to manage a separate account.

General Risks

Speculative Investments. A Client's portfolio may be highly speculative. No assurance can be given that a portfolio will successfully achieve the objectives of the Client. There is no assurance that any investment will be successful, and an investor may lose all or a substantial part of its investment. For these and other reasons, an investment in a Fund or a separate account must be considered a highly speculative investment. In addition, a Fund or separate account may invest in assets that are not linked to mortality or longevity, such as various types of liquid or illiquid debt or equity instruments or other liquid or illiquid obligations or assets. Each one of these investments will have their own set of risks associated with them, which OCM will seek to evaluate and mitigate, but for which there can be no assurance that such risks might not negatively impact the value of the investment.

Limited Transferability of Interests/Interests Not Freely Tradable, Impacting Liquidity. There will be no public market for a Fund's interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under each Fund's Governing Documents and applicable securities laws. In general, withdrawals of Fund interests are limited. Investors may not be able to obtain cash for a Fund's interests on a timely basis, or at all. There are a number of restrictions on the Funds' interests, including the ability to sell or transfer the interests. An investor is not permitted to sell, assign, or transfer any interest, except under certain limited circumstances and, in each instance, with the prior written consent of the Fund's General Partner. Further, withdrawal of a Fund's interests is subject to certain limitations, including limitations on the amount of withdrawal requests the General Partner is obligated to grant and the aggregate amount of withdrawals that may occur at a given withdrawal date. Additionally, a Fund's interests are restricted as to free tradability under U.S. federal income tax laws. In order to preserve certain Funds' status as a limited partnership and prevent being taxable as a corporation, investors are not free to sell or transfer their Fund interests at will, and they are likely not to be accepted by a lender as security for borrowing.

Epidemic/Pandemic Risk. An epidemic or pandemic outbreak, such as COVID-19, and reactions to such an outbreak could cause uncertainty in markets and businesses, including OCM's business, and may adversely affect the performance of the global economy, including causing market volatility, business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. OCM has policies and procedures to address known business situations, but because a large epidemic or pandemic may create significant market and business uncertainties and disruptions, not all events that could affect OCM's business can be determined and addressed in advance.

Cybersecurity Risk. Investment advisers, including OCM, must rely in part on digital and network technologies ("Cyber Networks") to maintain substantial computerized data about activities for Client accounts and otherwise conduct their businesses. Such Cyber Networks might in some circumstances be subject to a variety of possible cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of confidential computerized data or Client data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers seeking to compromise sensitive information, corrupt data, or cause operational disruption. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. OCM maintains policies and procedures on information technology security, it has certain technical and physical safeguards intended to protect the confidentiality of its internal data and takes other reasonable precautions to limit the potential for cybersecurity incidents, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction. OCM also conducts quarterly and annual employee cyber-related training as well as periodic phishing campaigns. Nevertheless, despite reasonable precautions, the risk remains that cybersecurity incidents could potentially occur, and such incidents, in some circumstances, might result in unauthorized access to sensitive information about OCM or its Clients or their investors, and/or cause damage to Client accounts or OCM's activities for Clients or their investors. OCM will seek to notify affected Clients and investors of any known cybersecurity incident that may pose a substantial risk of exposing confidential personal data about such Clients or investors to unintended parties.

Privacy and Data Protection Law Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations ("Privacy Laws") in the United States, Europe and elsewhere could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of a Fund, a separate account client and/or their investments, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and performance. As Privacy Laws are implemented, interpreted and applied, compliance costs are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018, and the EU has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include a Fund, a separate account client and/or their investments.

Risks of Investing in Life Settlements

Uncertainty of Life Settlements Market. The value of a policy in the life settlements secondary or tertiary market depends significantly on the health and medical condition and life expectancy of the insured, life expectancy tables then in use by the life settlement industry, and any changes in general economic conditions, including interest rates, inflation rates, government regulations, overall industry conditions, competition, litigation experience, political conditions, volatility in the financial markets, and legislation at the time OCM may seek to sell the policy. The demand for the purchase, and the liquidity, of in-force policies is uncertain. Therefore, policies acquired by OCM may be over-priced by OCM or its affiliates and/or may not be readily able to be resold in the tertiary market for life insurance if the need should arise for the liquidation of any of the policies.

Uncertainty of Life Expectancy/Valuation. The cost in the life settlements market of the policies that may be obtained by OCM depends, in large measure, upon the life expectancy of the insured life under the policy. The return to the Funds or separate accounts on such purchases is almost entirely dependent upon how accurate the expectancy was as compared to actual life expectancy. Life expectancies are estimates of the expected longevity or mortality of an insured, are based on medical information known at the time of review, and are inherently uncertain. There can be no assurance that the medical information on or condition of an insured is completely current or accurate as of any particular point or that any life expectancy obtained on an insured for a policy will be predictive of the future longevity or mortality of the insured. Market quotations will not be available for virtually all of a Client's life settlement investments (and likely other longevity and non-longevity assets) because, among other things, such assets held by the Funds and/or separate accounts generally will be illiquid and not quoted on any exchange. There can be no assurance that a Fund and/or a General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation determined with respect to a particular investment will represent the value ultimately realized by the relevant Fund or separate account client on the disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation.

Insurable Interest Risk. All states require that the initial owner of a new life insurance policy ensuring the life of an individual has an insurable interest in such individual's life at the time of

original issuance of the policy. Whether an insurable interest exists at the time of the issuance of a life insurance policy is critical because, in the absence of a valid insurable interest at that time, the life insurance policies would be unenforceable under the laws of most states. When a life insurance policy has been issued to a policy holder without an insurable interest in the life of the individual who is insured, the life insurance company is generally not required to pay the death benefit under the policy, but typically must repay to the owner of the policy certain amounts of premium payments, usually without interest. Generally, there are two forms of insurable interests in the life of an individual: familial and financial. Additionally, an individual is deemed to have an insurable interest in his or her own life. Insurable interest is determined at the inception of the policy. Issuing insurance companies and/or the estates of the insured individual may seek to challenge the insurable interest determination on a policy and a loss as a result of such challenge could impact the receipt or retention of payment on the asset. Any determination that a policy purchased by OCM was issued without insurable interest may render the policy void or require a Client to return received death benefits, and thus could potentially impact overall performance.

Cost of Insurance Increases. For any policies that may be obtained for the Funds or separate accounts, the Funds or separate accounts will be responsible for maintaining the policies, including paying insurance premiums. If a life insurance company is able to increase the cost of insurance charged for any of the policies, the amounts required to be paid for insurance premiums due for these policies may increase, requiring the Funds or separate accounts to incur additional costs for the policies, which may adversely affect returns on such policies and consequently reduce the resale value of such policies in the tertiary market for life insurance policies.

Leverage. OCM may utilize leverage in its management of Funds' or separate account assets, including to make premium payments on life insurance policies purchased by the Funds or the separate account, as well as to pay for operating costs/expenses/liabilities of the Fund or the separate account. While leverage presents opportunities for increasing the Fund's total return, it will have the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by the Funds would be magnified to the extent it is leveraged. The cumulative effect of the use of leverage by the Funds or a separate account in a market that moves adversely to the investments could result in a substantial loss to the Funds or separate account, which would be greater than if the investments were not leveraged. Leverage will increase the exposure of the Funds or the separate account to adverse economic factors such as significantly rising interest rates, severe economic downturns or deterioration in the condition of the investments or their corresponding markets.

Viatical Settlements Model Act/Legislation. Groups, including the National Association of Insurance Commissioners ("NAIC"), the National Conference of Insurance Legislators ("NCOIL") and the North American Securities Administrators Association ("NASAA"), had perceived there to be an industry regulatory void and subsequently took action to pass the NAIC & NCOIL Model Acts and subsequent Guidelines Regarding Viatical Investments to protect seniors from over-reaching by less than scrupulous and forthcoming life settlement brokers and providers. In addition to the states which adopted the guidelines, other states which license insurance purchases follow many of the provisions of the NAIC & NCOIL Model Acts. Most states regulate life settlements through their insurance departments and/or securities administrators. This regulation could change and

such changes might impact the ability to buy or sell assets.

Compliance with State Insurance Laws. Forty-five states have adopted viatical or life settlement laws which require entities that buy or sell life settlement and viatical settlement contracts be licensed in such states. Depending on governmental or judicial interpretation of these laws, it could mean that OCM, its subsidiaries, the Funds or the separate account clients may be required to be licensed as a viatical or life settlement provider, or purchase policies only through such licensed entities. If that were the case, OCM, its subsidiaries, the Funds or the separate account clients may not be able to comply with every state's laws, or to renew or prevent revocation of a previously issued license or approval and may be precluded from doing business in any state in which they are unable to obtain or otherwise maintain a required license or otherwise comply with the laws of that state. In the event OCM, its subsidiaries, the Funds or the separate account clients are not licensed or approved to do business, or has a license suspended, revoked or non-renewed, in any state (or is unable to purchase policies through such a properly licensed entity), OCM, its subsidiaries, the Funds or the separate account clients may not be able to acquire and then resell policies in such states. The inability to purchase policies from the regulated states may significantly diminish the number of policies available for purchase by the Funds and separate account clients.

Changes in U.S. Insurance Regulation. Changes in state and federal statutes, laws and regulations might make it more difficult to purchase and sell policies, thereby hindering the implementation of the Funds' and separate accounts' strategies for acquiring, reselling, holding, or securitizing the policies.

Risks of Investing in Insurance Special Situation and Other Investments

Macroeconomic Factors. The performance of each Client's investments could be adversely affected by macroeconomic factors and events, including general economic conditions affecting capital markets and participants therein. Such macroeconomic factors include the risk of economic downturn and uncertainties affecting economies and capital markets worldwide; incidents of terrorism, war, political or social unrest and similar events; concerns about financial performance, accounting and other issues relating to various companies; and changes to laws and regulations affecting the financial industry, including banking, credit default swaps and other derivatives, mortgage lending, accounting and reporting standards.

Market Volatility Risks. A variety of unanticipated political and economic disruptions and changes have adversely affected the capital markets in the past, at times causing various market dislocations and unprecedented levels of illiquidity and price volatility for various types of assets and securities. These events could disrupt the mark-to-market valuation of a Client's portfolio. Some investments may be complex, and their market values may be highly sensitive to changes in interest rates, prepayments and/or credit spreads. Returns in many cases may be volatile. Fast-changing, volatile markets may limit or even preclude timely action by OCM in effecting trades.

Developments in Credit Markets. Global credit and equity markets have experienced, and may in the future experience, significant market events, including decreased liquidity, declining market values, tightening of credit, valuation problems, deleveraging and large scale liquidations of

investment portfolios, that have at times generated extreme volatility and illiquidity in worldwide capital markets. The duration and ultimate effect of such market conditions cannot be predicted. Market quotations may not potentially be available for many of a Client's insurance special situations and other investments because, among other things, such assets held by the Funds and/or separate accounts generally may be illiquid and not quoted on any exchange. Such conditions could adversely affect the market value of a Client's investments or prevent OCM from successfully executing its investment strategy.

Interest Rate Risk. Changes in interest rates may affect the value of a Client's investments. Increases in interest rates may cause the value of credit instruments and other credit-like instruments to decline. Changes in interest rates may also affect the rate at which OCM can obtain financing on behalf of a Client. Certain investments may be particularly sensitive to changes in interest rates, including debt-structured litigation finance investments, debt instruments with longer maturities, debt instruments paying no interest (such as zero-coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments.

Risks of Derivative Transactions. OCM may cause Clients to engage in certain derivative transactions, potentially including annuity-related instruments, total return swaps on individual assets, longevity and mortality-linked swaps, interest rate swaps, index swaps, other swaps, futures and/or other derivative transactions (together, "Derivative Instruments"), either for investment purposes or in order to hedge the Client's investment, currency, interest rate or other exposure. However, there is no obligation to enter into any such transactions. The use of Derivative Instruments, even when used with the intent to reduce the risks associated with a Client's operations, involves additional expenses as well as risks that are likely different than those of the Client's other investments, including the possible default by the counterparty to a transaction and the illiquidity of the Derivative Instrument. Unanticipated changes in securities prices, interest rates or currency exchange rates may result in a poorer overall performance for a Client's account than if it had not entered into any such derivative transaction. In addition, many swaps or other derivative contracts are not traded on exchanges and are not subject to the same type of government regulation as securities traded on exchanges. As a result, many of the protections afforded to participants in a regulated environment may not be available in connection with these transactions. Further, trading in swaps and other derivative instruments may involve a high degree of synthetic leverage, which may magnify the potential losses experienced by a Client.

Risks Related to Other Insurance-Related Assets. OCM may cause Clients to invest in other insurance-related investments, including, but not limited to, collateralized reinsurance agreements, quota share agreements, equity or debt obligations of public and private insurance and reinsurance companies, and other securities and derivatives linked to insurance and reinsurance risks and similar factors. Such investments are subject to all of the numerous inherent risks of the insurance and reinsurance industry. The occurrence or non-occurrence of catastrophic events could have a material adverse effect on a Client's account.

The success of a Client's insurance-related investments is largely dependent on the ability of OCM to forecast the probabilities and risks of various events. However, such probabilities and risks are difficult to forecast accurately, and any such forecasts will require subjective judgments. In addition, models that seek to forecast such probabilities and risks with respect to the type,

frequency, and severity of such events may be inaccurate and/or inadequate. Errors or inaccuracies in such forecasts could have a material adverse effect on insurance-related investments that were based in whole or in part on such forecasts.

An investment in insurance-related assets may expose a Client to the credit risk of several parties involved in the reinsurance product chain. For example, a Client may have exposure to the reinsurer that is buying the reinsurance from the issuer of the insurance-related assets in respect of such reinsurer's obligation to make premium payments to the issuer. The issuers of insurance-related assets may also be exposed to the credit risk of reinsurance brokers and other service providers with whom the sponsoring reinsurer conducts business related to the reinsurance policies to which such insurance-related assets have exposure.

There is often only limited price information available in markets for insurance-related investments. There may not be active secondary markets for certain insurance-related investments. Where a secondary market does exist, there is no assurance that it would have a sufficient number of participants to provide efficient or even adequate pricing or liquidity. As a result, insurance-related investments are generally highly illiquid and their prices may be highly volatile, thus resulting in an increased risk of material losses.

Counterparty Risks. Each Client account must assume the credit risk associated with the insurance companies, annuity providers, brokers and other intermediaries and counterparties with which the Client account deals. The failure or bankruptcy of any such insurance company, annuity provider, broker or other intermediary or counterparty could have a material adverse impact on the Client's ability to achieve its investment objectives. An insurance company's business tends to track general economic and market conditions that are beyond its control, including economic recessions, interest rate changes, the subprime lending market crisis, or changes in investor perceptions regarding the strength of insurers generally and the policies or annuities they offer. Adverse economic factors and volatility in the financial markets may have a material adverse effect on the ability of an insurance company, annuity provider, broker or other intermediary or counterparty to generate business and sell insurance or annuities.

Risks of Structured Vehicles and Asset-Backed Securities. OCM may cause Client accounts to invest in, or otherwise participate in, a variety of different asset-backed securities and structured investment vehicles or products. These investments can take the form of equity or debt investments in special purpose vehicles that own a right to receive payments, such as, for example, payments derived from the settlement of a lawsuit filed by a third party, or group of third parties, who suffered an injury or an accident, lottery receivable securities, or other assets, including, without limitation, in the insurance, mortality-linked or litigation-related sectors. Accordingly, these asset-backed securities and structured investments may involve not only the risks of the underlying "reference asset" (i.e., the enforceability of the right to receive the underlying settlement payments arising out of a litigation or other event, or a lottery purchaser complying with the terms of a lottery prize transfer statute with respect to the assignment of a lottery receivable) but also other risks including, without limitation, acceleration of any financing embedded in the structure, counterparty credit risk, and/or restrictions imposed on the management and nature of the permissible reference assets and costs of creating the structured vehicle or product.

Longevity/Mortality Related Risks. Life contingent structured settlements (“LCSS”), life contingent annuity payment streams and other longevity-related investments, such as, for example, “lifetime” lottery prizes, are paid out only if the recipient is alive at the time of payment. The performance and return of LCSS and other longevity-related investments are therefore likely to depend significantly on one or more risks linked to longevity, life insurance, or otherwise to human life. An investment in longevity-related investments may involve a high degree of risk, including the risk that the entire investment may be lost upon the premature death of the underlying beneficiary. Such investments in many cases may involve investing in a relatively new and developing asset class consisting of relatively illiquid instruments. Additional risks may arise from the illiquidity and difficulty in the valuation of such instruments, risks of catastrophic events and other events giving rise to losses under such instruments, and volatility of capital markets. The evaluation of longevity related risks is based on a vast amount of historical data and actuarial analysis. However, there is no guarantee that any investment will actually turn out to be in line with expectations. Any one or more differences between the estimated and actual severity or frequency of an insurance event to which a Client is exposed pursuant to any one or more LCSS or other longevity-related investments held by the Client could have a material adverse effect on the Client.

Uncertainty of Life Expectancy. The cost in the market of LCSS or other longevity-related investments depends, in large measure, upon the life expectancy of the settlement recipient or recipients. The return to an investor on such purchases is largely dependent upon how accurate the expectancy was as compared to actual experience. Life expectancies are estimates of the expected longevity or mortality of an individual. There can be no assurance that any life expectancy obtained on an individual will be predictive of the actual future longevity or mortality of the individual.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor’s evaluation of OCM or the integrity of OCM’s management.

1. On March 19, 2021, a purported civil class action was brought against OCM, and other related parties, alleging the misrepresentation and failure to disclose in the offering materials of Vida Longevity Fund, LP (“VLF”) alleged weaknesses in VLF’s internal processes and procedures relating to risk and underwriting. The plaintiffs also assert a claim that OCM (and the other defendants) failed to disclose alleged material conflicts of interest pertaining to information that was alleged to be material to investors and should have been provided to investors prior to making a decision as to whether to invest in VLF. The parties have entered into a settlement agreement, which is subject to court approval, among other conditions. The court preliminarily approved the proposed settlement on November 21, 2022, and scheduled a fairness hearing for April 18, 2023.

Item 10. Other Financial Industry Activities and Affiliations

OCM intends to invest in life settlement assets where it believes that there is an expectation of

payment upon policy maturity and that policies will not be subject to challenge by the insurance company or the estate of the insured on insurable interest grounds. OCM believes that the key to ensuring such payment is a due diligence process on the part of licensed and regulated companies that facilitate the sale of policies to investors by identifying, examining, and acquiring the policies as agent for the purchasers (each an “Originator”). Magna Life Settlements, Inc. (“Magna”), an affiliate of OCM, is a licensed Originator that employs a detailed diligence information review program when evaluating policies. While no process is perfect in every aspect, and acquired assets under this process may still be subject to challenge, by working with an affiliated Originator, OCM believes that this process allows it to verify that the policies it purchases for its Clients are originated in compliance with state and federal laws and internal due diligence and quality assurance processes. Magna receives origination fees for life settlement assets it facilitates for OCM Clients. As discussed below in *Item 12. Brokerage Practices*, any fees paid to Magna are considered transaction costs, paid by the Client, and they are not credited to reduce the management fees owed by the Client. Notwithstanding the foregoing, the Clients may also acquire assets through additional, non-affiliated Originators. All prospective investors will be informed of the affiliation between OCM and Magna, and thus be aware of this incentive prior to the time they invest capital in a Fund.

Magna also offers educational information to investment advisers (and other third parties) and their clients about life settlement options for qualified policy owners. Certain third-party investment advisers may have also recommended an investment in the Funds to these same clients. Consequently, there is a possibility that Magna may originate a life settlement asset for purchase by one of OCM’s Clients that was sold by an investor in one of the Funds.

OCM or an affiliate may perform activities related to the identification, investigation, origination, acquisition and maintenance of investments other than life settlements, and may charge Clients a fee or fees (including, potentially an origination fee and/or a servicing and/or administration fee) for those activities. OCM will evaluate the facts and circumstances of any such activities and fees, is not under any obligation to use or not to use an outside party to provide such services, and is not obligated to seek or provide the lowest available fees and costs for these services.

Certain of OCM’s ultimate owners and their affiliates (“Parent Entities”) conduct other investment activities not related to the investment activities of OCM. However, these activities do not present a material conflict of interest for OCM. The Parent Entities and their affiliates generally conduct their investment activities within a different asset class than OCM and do not make any day-to-day investment decisions for OCM.

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

To avoid potential conflicts of interest and mitigate risks involving personal trades, OCM and its affiliates have adopted written personal trading policies and procedures for their employees that include a formal Code of Ethics (the “Code”) and insider trading policies and procedures. Procedures have been adopted to ensure compliance with the provisions of the Code, including pre-approval of certain personal securities transactions, annual affirmations of compliance, and regular reviews of personal holdings and transactions. OCM and/or the officers or employees of

OCM and its affiliates are generally not permitted to trade in the same asset that has been purchased for Client accounts, except when participating directly through an investment in the Funds or when the matter has been disclosed, reviewed and approved by OCM's compliance group.

In the past, VLF traded with affiliated parties from time to time, and each such trade was reviewed with and approved by its LPAC. These trades generally were priced and traded at net asset value or a markup of net asset value plus 1%. The 1% markup in value would be realized by VLF and any difference in the value sold and cost basis would be retained by OCM, VMI, or an affiliate. Generally, VLF no longer engages in such trades. If such a trade were to occur involving VLF or any other Client, the asset would be traded at its net asset value and would be reviewed and approved by the applicable limited partner advisory board.

OCM's Code of Ethics also describes its fiduciary duties and responsibilities to its Clients, and sets forth policies governing the giving and receipt of gifts by employees.

A copy of OCM's Code of Ethics will be provided to a Client, an investor or prospective investor upon request.

Item 12. Brokerage Practices

As discussed in *Item 10. Other Financial Industry Activities and Affiliations* above, investments in life settlement assets entail a due diligence process on the part of licensed and regulated companies, such as OCM's affiliate, Magna Life Settlements, Inc., which facilitate the sale of policies to Clients by identifying, examining, and acquiring the policies as agent for the purchasers. As Clients acquire life settlement policies, the Clients typically pay a market-based origination fee as part of the cost of acquisition of each policy. This is a transaction cost, which is part of the capitalized cost basis of each policy, and is ultimately borne by the relevant Fund or separate account. Where OCM uses a third-party originator, which is rare, OCM attempts to negotiate the best possible price and transaction costs for the Client. If OCM uses Magna, which is typically the case, the transaction costs paid by the Client to Magna are generally 1% of the face value of each life settlement policy. However, fees paid to Magna may be less than 1% of face value in certain situations, and certain Clients have negotiated a lower fee on an asset by asset basis in certain circumstances. OCM generally utilizes Magna to effect purchases and sales of life settlement policies for Clients accounts unless Magna is not licensed to operate in a particular state and thus cannot effectuate a transaction involving a policy holder in that state.

The fact that Magna is affiliated with OCM creates an incentive for OCM to purchase life settlement policies for Clients from Magna due to the common ownership of OCM and Magna, rather than from third parties based on the Clients' interest in receiving most favorable overall execution. In selecting providers or Originators to effect life settlement transactions, OCM seeks best overall execution and considers such factors as life settlement policies offered, origination rates, price, the ability of the Originator to effect the transaction, the due diligence process, the Originator's maintenance of state licenses, the Originator's facilities, reliability and financial responsibility and the provision of, or payment for, the costs of research-related products or services that are of benefit to OCM and its clients. OCM does not have an obligation to seek the lowest available fees

and other costs and considers qualitative factors when considering execution price. Accordingly, if OCM determines in good faith that the amount of any fees and other compensation charged by an Originator are reasonable in consideration of the value and quality of the execution and/or research-related goods and services provided by such Originator, Clients may pay fees and other compensation to such Originator which are greater than those another might charge.

To the extent OCM transacts in securities, it intends to select brokers and counterparties based upon the broker's and counterparty's ability to provide best execution for OCM's Clients. OCM is generally authorized to determine, subject to each Client's investment objectives and restrictions, without obtaining prior consent from the relevant Client: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

In selecting broker-dealers to effect securities transactions, OCM may consider factors including, but not limited to, ability to achieve prompt and reliable executions at favorable prices, operational efficiency with which transactions are effected, financial strength, integrity and stability of the broker, any special expertise or capabilities of the broker, competitiveness of commission rates, when applicable, in comparison with other brokers satisfying OCM's other selection criteria, and such other factors as OCM considers relevant and beneficial to its Clients.

OCM may take into account research and other services provided to OCM by brokers. OCM does not necessarily solicit competitive bids and does not have an obligation to seek the lowest available commission cost. OCM may cause a higher commission to be paid to a broker or dealer that furnishes research services than might be charged by another broker or dealer for effecting the same transaction, provided that OCM determines in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker or dealer.

Research services provided to OCM by brokers may include written information and analyses concerning specific securities, companies or sectors (whether produced by the broker or a third party); market, financial and economic studies and forecasts (whether produced by the broker or a third party); statistics and pricing services; discussions with research personnel; access to management of issuers; data bases; and other news, technical and telecommunications services utilized by OCM in the investment management and execution process. OCM does not expect to receive any benefits outside the safe harbor under Section 28(e) of the Securities Exchange Act of 1934, as amended, for the use of commissions or "soft dollars" to obtain "research and execution" services. Research services provided by brokers may be used for the benefit of all Clients of OCM.

VLF has traded with affiliated parties in the past and may do so again in the future (as would other OCM Clients). However, OCM does not intend to engage in such transactions as a general course of business or as an investment strategy. Such trades are reviewed with and approved by its limited partner advisory board/committee, or other applicable review source. These trades have generally been priced and traded at net asset value or a markup of net asset value plus 1%.

Item 13. Review of Accounts

OCM generally follows a “buy-and-hold” approach with respect to investments by its Clients in life settlement assets and may or may not take the same approach with other assets in Funds or separately managed accounts. However, in all cases, OCM may sell assets and acquire additional assets when deemed appropriate. The account of each Client is reviewed and monitored by OCM (on a frequency deemed appropriate by OCM) in an effort to decide if additional purchasing or selling actions are warranted.

OCM’s communication with Clients and investors differs from Client to Client. Generally, OCM (or the respective fund administrator) provides Fund investors and separate account clients with a quarterly report and account statements in writing. On an annual basis, OCM provides audited financial statements for each Fund to such Fund’s investors and a copy of the OCM Privacy Policy if any changes have occurred since the prior year.

Item 14. Client Referrals and Other Compensation

OCM may make payments to third parties for introducing potential investors to the Funds or for separate accounts managed by OCM. Aside from management fees and incentive-based compensation received by OCM and its affiliates and fees paid to Magna (or potential fees for activities and services (e.g. origination, servicing, administration, etc.) relating to non-life settlement assets paid to OCM or an affiliate) from which OCM and its owners indirectly benefit, OCM does not receive any other economic benefits from non-investors or non-Clients in connection with the provision of investment advice to Clients. Fund investors who subscribe through an authorized dealer, placement agent, or other third party may be subject to a sales charge in accordance with a prior written disclosure provided to such investors. All or a portion of any such subscription charge is paid to authorized dealers, placement agents, or independent third parties other than OCM for services provided in connection with the solicitation of subscriptions. Any applicable subscription charge is paid to the recipient out of the investor’s capital contribution. Such subscription charges paid out the investor’s capital contribution amount are disclosed, reviewed, and approved by the investor during the subscription process.

Item 15. Custody

OCM and/or its affiliates are deemed to have custody of certain Funds’ cash and securities. OCM maintains custody of such assets in the name of the relevant Fund with unaffiliated qualified custodians who generate account reports and statements for the Funds. These reports are monitored by OCM or its affiliates and, generally, by a third-party administrator to ensure accuracy and consistency with reports generated by OCM or its affiliates.

Fund investors may not receive statements directly from the custodians, but generally will receive them from the respective fund administrators. The Funds are subject to an annual audit and the audited financial statements are distributed to each investor in accordance with certain custody requirements under the Advisers Act. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of each Fund’s fiscal year end.

With respect to separate account Clients, qualified custodians send quarterly, or more frequent, account statements directly to a separate account client. Separate account Clients should carefully review these statements. Separate account Clients will also generally receive account statements from OCM. Clients are urged to compare the account statements they receive from qualified custodians with those they receive from OCM.

Item 16. Investment Discretion

OCM generally has discretionary authority to determine, without obtaining specific consent from each Client, the amounts and types of assets, securities, and other instruments to be bought or sold for each Client's account. Any limitations on authority are discussed in detail in the respective private placement memorandum, investment management agreement or other Governing Documents.

Item 17. Voting Client Securities

Proxy Voting

Due to the nature of OCM's investment programs and the types of investments made on behalf of Clients, OCM is rarely requested to vote the proxies of traditional operating companies. OCM, on rare occasions, receives requests related to amendments, consents, and/or resolutions as a result of investments in synthetic and derivative life settlement instruments, life settlement-backed notes, and other assets.

When applicable, OCM will vote proxy proposals, amendments, consents, and/or resolutions (collectively, "proxies") held by each Client in a manner that serves what it believes to be the best interests of that Client in accordance with its fiduciary duty. OCM has adopted the following proxy voting procedures designed to ensure that proxies are properly identified and voted, and that any conflicts of interest are addressed appropriately:

When OCM has Voting Authority

If OCM receives a proxy document and when OCM has voting authority, it will consider whether it is subject to any material conflict of interest in connection with each proxy vote. Supervised persons must identify if they are aware of any potential material conflict of interest associated with a proxy vote. If a material conflict of interest is identified in connection with a proxy solicitation, a meeting will be convened with representatives of the Client, such as an advisory committee of a Fund. The vote under consideration and the perceived conflict of interest will be discussed and representatives of the Client will reach a consensus and make a decision regarding the proxy vote.

If OCM has authority to vote and no material conflict of interest is identified, OCM will vote proxies in a manner that it believes maximizes the value of each Client's investment. In so doing, OCM may take into consideration recommendations made by third parties, such as attorneys and independent actuaries.

OCM may abstain from voting if it deems that abstinence is in the relevant Client's best interests or if the proxy matter is a more ministerial or administrative matter that would not have a material impact on the Client's portfolio.

In addition, if class action documents are received by OCM on behalf of its Clients, OCM will take reasonable steps to ensure that the Clients either participate in, or opt out of, any class action settlements received. OCM will determine if it is in the best interest of each Client to participate in and/or recover monies from a class action.

When Clients Retain Voting Authority

If OCM receives a proxy document, and when a Client has retained voting authority but has instructed OCM to vote on its behalf and no material conflict of interest is identified, OCM will vote the proxies in a manner that it believes maximizes the value of the Client's investment. OCM will abide by any specific proxy voting instructions conveyed by a Client with respect to that Client's assets. When a Client has retained voting authority and OCM inadvertently receives any proxy materials on behalf of a Client, and OCM has not been instructed to vote on behalf of the Client, OCM will forward such materials to the Client.

Disclosures to Clients and Investors

Investors can contact the Compliance Department to obtain a copy of these policies and procedures and information about how OCM voted with respect to the Client's assets.

Any request for information about proxy voting should be promptly forwarded to the Compliance Department, who will respond to any such requests.

As a matter of general policy, OCM does not disclose how it expects to vote on upcoming proxies. Additionally, OCM does not disclose the way it voted proxies to unaffiliated third parties without a legitimate need to know such information.

Item 18. Financial Information

OCM is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Clients. OCM has never filed for bankruptcy, does not collect management fees six months or more in advance, and is not aware of any financial condition that is expected reasonably likely to impair its ability to manage accounts or meet its contractual commitments.