

# **REGATTA LOAN MANAGEMENT LLC**

**FORM ADV PART 2A – DISCLOSURE BROCHURE**

**March 30, 2023**

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**This brochure provides information about the qualifications and business practices of Regatta Loan Management LLC. If you have any questions about the contents of this brochure, please contact us at (212) 235-0700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Regatta Loan Management LLC will be available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Regatta Loan Management expects to be an SEC-registered investment adviser. Being a registered investment adviser does not imply a certain level of skill or training.**

No information contained herein should be construed as a solicitation or offer, or recommendation, to buy or sell any security, or as an offer to provide advisory services. Any offering or potential transaction that may be related to information in this brochure will be made pursuant to separate and distinct documentation.

**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 investment vehicle; or*
- *A complete discussion of the features, risks or conflicts associated with any investment vehicle or advisory service.*

*As required by the Investment Advisers Act of 1940, as amended (“Advisers Act”), RLM provides this Brochure to current and prospective clients. In its discretion, RLM may also provide this Brochure to current or prospective investors in an investment vehicle, together with other relevant documents, such as an investment vehicle’s offering documents or private placement memorandum, organizational documents and other related transaction documents, as applicable (together, the “Relevant Documents”), prior to, or in connection with, their investments. 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 RLM, persons who receive this Brochure (whether or not from RLM) should be aware that it is designed solely to provide information about RLM as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure differs from information provided in the Relevant Documents. More complete information about an investment vehicle or advisory service is included in the Relevant Documents, certain of which may be provided to current and eligible prospective investors only by RLM or by persons authorized to communicate with current or potential eligible investors by or on behalf of RLM. To the extent that there is any conflict between discussions herein and similar or related discussions in any such Relevant Documents, such Relevant Documents shall govern and control. No offer or solicitation for an investment in any investment vehicle or account advised by RLM will be made before the delivery of the applicable Relevant Documents to potential investors who should read the Relevant Documents carefully and consult with their tax, legal and financial advisors before making any investment decision.*

## **Item 2 Material Changes**

**This Item 2 includes only material changes since the prior Brochure.**

No material updates at this time.

Additional information about RLM, including a full copy of its current brochure, also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### **Item 4 Advisory Business**

Regatta Loan Management LLC (“RLM”) is a direct subsidiary of Regatta Partners LLCs which is indirectly owned by three third party strategic partners. Additionally, a de minimis interest in RLM is held by Napier Park Global Capital (US) LP and its affiliates (“Napier Park”). On August 1, 2022, FEIM acquired 100% of the interests in Napier Park Global Capital LLC, a Delaware limited liability company. Napier Park Global Capital LLC is the indirect parent of Napier Park Global Capital (US) LP, a Delaware limited partnership, which is registered as an investment adviser with the SEC and Napier Park Global Capital Ltd., a private limited company formed in the United Kingdom, which is registered as an investment adviser with the SEC and is authorized and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom (collectively with its affiliates referred to herein as (“Napier Park”). Napier Park will operate as an autonomous, wholly owned unit of FEIM. FEIM is a limited liability company organized under the laws of the State of Delaware and has been a registered investment adviser under the Advisers Act since 1995. It is a subsidiary of First Eagle Holdings, Inc., a holding company incorporated in Delaware (“**FE Holdings**”). Since 2015, a controlling interest in FE Holdings has been owned by BCP CC Holdings L.P., a Delaware limited partnership (“**BCP CC Holdings**”). BCP CC Holdings GP L.L.C., a Delaware limited liability company (“**BCP CC Holdings GP**”), is the general partner of BCP CC Holdings and has two managing members, Blackstone Capital Partners VI L.P. (“**BCP VI**”) and Corsair IV Financial Services Capital Partners L.P. (“**Corsair IV**”). BCP VI and Corsair IV are indirectly controlled by a public company, Blackstone Inc. (NYSE: BX) (“**Blackstone**”). Corsair IV is indirectly controlled Corsair Capital LLC (“**Corsair**”). . The general partner of Corsair IV is Corsair IV Management L.P., whose general partner is Corsair, the sole member of which is Corsair Capital, L.P., whose general partner is Corsair Capital Group, Ltd., of which the controlling member is D.T. Ignacio Jayanti. Investment vehicles indirectly controlled by Blackstone and Corsair and certain co-investors own a majority economic interest in FE Holdings and FEIM through BCP CC Holdings.

RLM is an adviser and will advise itself as a private investment company and will serve as collateral manager to securitized asset vehicles (collectively referred to herein as “Investment Vehicles” and each individually as an “Investment Vehicle”), and its primary business is expected to consist of (i) acting as collateral manager of the U.S. collateral loan obligation transactions and related warehouse facilities, (ii) engaging in related trading activity for purposes of complying with EU retention requirements, (iii) directly or indirectly through one or more subsidiaries or majority owned affiliates, acting as holder of U.S. retention interests and EU retention interests (collectively, the “Retention Interests”) and (iv) pursuing related activities. These Investment Vehicles rely on an exemption from registration under Section 3 of the Investment Company Act of 1940, as amended (“1940 Act”).

#### ***Services Provided:***

RLM manages fixed income investment funds in the areas of U.S. loans and European loans and seeks to offer Investment Vehicles with a consistent investment approach, appropriate asset-liability management and alternative risk-return profile.

RLM uses an integrated product development, investment management, risk, operations and technology platform that draws upon professionals who have experience in investments, research,

structured finance, liability management, risk analytics, client servicing, operations, technology, legal and accounting.

RLM's investment and strategy selection and execution process includes an evaluation of each strategy, the development of risk management and investment guidelines, identifying and contracting third party service providers who it believes can successfully execute the strategies selected at any given time and, finally, active management of both the assets and the liabilities of the Investment Vehicles.

### ***Particular Investment Restrictions***

Individual investors in the Investment Vehicles are not consulted in the design or implementation of such Investment Vehicle's investment programs. Each Investment Vehicle's offering documentation will describe that Investment Vehicle's investment program.

### ***Assets Under Management***

As of March 30, 2023, RLM has approximately \$3,684,203,312 in discretionary regulatory assets under management based on December 31, 2022 gross balance sheet assets as reflected on the balance sheet.

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

RLM offers discretionary collateral management and advisory services for a percentage of assets under management or fees based on performance as described below and in Item 6. Fees may differ based upon a number of factors, including without limitation, overall fee arrangements, account complexity and size, assets under management and the terms of the various Investment Vehicles. Fees for certain Investment Vehicles may be waived, reduced or calculated differently with respect to certain investors, including RLM employees or affiliates, at the discretion of RLM as permitted by the Investment Vehicle's offering documentation and organizational documents.

In addition, as discussed below, from time to time, clients of Napier Park are investors in First Eagle Alternative Credit, LLC ("FEAC") clients and will pay customary fees or expenses as investors therein.

RLM may in the future charge other types of fees and use different fee structures, including variations of performance or incentive fee and allocations. RLM may share a portion of such fees with certain placement, sales or referral agents.

### ***Fees Charged: Investment Vehicle Products***

Each Investment Vehicle may pay RLM a management fee, and in certain cases an incentive fee or incentive allocation (if earned). Fees earned with respect to each Investment Vehicle may compensate RLM or its affiliates for the provision of certain ancillary services, the responsibility for all or a portion of which may be subcontracted to other parties. The amount of fees to be paid by an Investment Vehicle will be set forth in the offering materials for that Investment Vehicle.

### ***Method of Payment of Fees***

The Investment Vehicles will pay any management and incentive fees at such times and in such manner specified in their respective account documentation. Such fees will be deducted from the Investment Vehicle and reflected in an investor's net asset value per share or capital account, as applicable.

### ***Additional Compensation Received by Affiliates***

Affiliates of RLM also may have relationships with, and provide certain services to RLM such as providing staffing to RLM who will provide marketing services, risk analysis services, a legal team, a compliance team, a finance team, technology, personnel, credit analysis, loan management, valuation, reporting, certain middle and back office support and other services for which the affiliate receives compensation.

### ***Distribution Fees***

RLM is affiliated with FEF Distributors, LLC ("FEF Distributors"), a limited purpose broker-dealer and wholly owned subsidiary of FEIM. FEF Distributors a placement agent of one or more private funds advised by Napier Park (excluding RLM). FEF Distributors performs similar services for Napier Park affiliates including FEIM and FEAC. FEF Distributors may receive compensation for the sale of securities, including asset-based sales charges, service fees and contingent deferred sales charges from the sale of the registered funds it distributes and may receive commissions or other compensation attributable to sales of private funds. These fees and charges are not applied to offset advisory fees. Certain of Napier Park's employees who are also FEF Distributors representatives receive compensation that considers the sale of investment as one of many factors used to determine discretionary compensation. All such compensation is paid by Napier Park, as applicable, from Napier Park's revenue. To help prevent Napier Park and its employees from acting in such a way, Napier Park has adopted a Code of Ethics requiring all employees to act solely in the best interests of clients. Certain of RLM's investment products can be purchased through other agents or brokers that are not affiliated with RLM, Napier Park and/or FEF Distributors.

### ***Additional Fees and Expenses***

As described in more detail in their respective offering or account documentation, each Investment Vehicle bears its organizational and initial offering expenses and its operating and other expenses, which may include, but not be limited to, structural expenses, direct investment-related expenses (e.g. custodial fees, interest expense, consulting and other professional fees relating to particular investments), reporting and legal expenses, accounting, audit and tax preparation expenses, ongoing expenses relating to the offering and sale of the Investment Vehicle's interests,

remuneration to directors or managing members, as applicable, insurance, trustee fees, custodian fees, administrator fees, liability insurance premiums, compliance expenses incurred by RLM and/or Napier Park in connection with its services to Investment Vehicles (which includes but is not limited to Form PF, CPO-PQR and AIFMD Annex IV reporting, as applicable), fees and expenses incurred by RLM and/or Napier Park in connection with its services to an Investment Vehicle, fees and expenses relating to software tools, programs or other technology utilized in managing Investment Vehicles (including, without limitation, third party software licensing, implementation, data management and recovery services and custom development costs); research and market data (including Bloomberg market data, Intex, any connectivity hardware incorporated into the costs of obtaining such research and market data, indemnification expense, any extraordinary expenses and other similar expenses related to the Investment Vehicle.

### ***Compensation of RLM Personnel***

Staff provided to RLM and/or RLM's officers and/or supervised persons do not receive commissions tied directly to the sale of any particular securities or other investment products advised by RLM in the form of asset-based sales or services fees.

### ***Payment of Fees in Advance and Arrears***

Generally, fees payable to RLM are paid in arrears.

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

RLM may receive performance-based fees from certain of its Investment Vehicles. Any performance fees charged by RLM will comply with the requirements of Section 205 of the Investment Advisers Act (the "Advisers Act") and all applicable rules thereunder. Other Investment Vehicles are charged fixed fees, including asset-based fees. The performance-based fees may create an incentive for RLM to cause the relevant Investment Vehicle to make investments that are riskier or more speculative than would be the case if RLM did not receive a performance-based fee, or to direct investments in favor of an Investment Vehicle receiving a performance-based fee. Please refer to Item 11 "Code of Ethics Participation in Client Transactions and Personal Trading" and Item 12 "Brokerage Practices" for a discussion of RLM's conflict management procedures, incentive compensation arrangements, managerial review and oversight and allocation policy, all of which are intended to mitigate conflicts.

## **Item 7 Types of Clients**

RLM provides investment advice to Investment Vehicles. However, the ultimate investors in the Investment Vehicles advised by RLM may include institutional investors, registered funds, funds of funds, pension plans and/or state and municipal government entities.

Ultimate investors in each Investment Vehicle are required to make a minimum capital commitment generally ranging between \$100,000 and \$10,000,000 or more, depending on the product. The minimum for a specific Investment Vehicle will be set forth in the offering materials for that Investment Vehicle.



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

### ***Investment Strategy and Method of Analysis:***

The investment objective of RLM's strategy is to achieve a rate of total return, primarily through income generation, and to a limited extent, capital appreciation, over a medium-term investment horizon through investments in a diversified portfolio of equity of collateralized loan obligations (collectively, "CLOs" and each, a "CLO"), which CLOs are comprised of underlying loans and debt securities, subject to various guidelines and restrictions, including concentration limits.

For each Investment Vehicle, the majority of the strategy's portfolio (by principal amount) must be U.S. dollar denominated investment grade and non-investment grade senior secured loans and investment grade and non-investment grade senior secured debt securities, including senior classes of issues of asset-backed securities, issued by U.S. Obligor (as defined below) and Non-Emerging Market Obligor (as defined below). The balance of the portfolio may be invested in U.S. Dollar denominated investment grade and non-investment grade senior unsecured loans and investment grade and non-investment grade senior unsecured debt securities made to or issued by U.S. Obligor and Non-Emerging Market Obligor (collectively, "Other Permitted Assets"). The strategy may invest in collateralized debt obligations, credit linked notes and indices of obligors (each, an "Obligor") domiciled in any jurisdiction, if the underlying assets of such securities would qualify as portfolio assets.

For each Investment Vehicle, RLM's primary consideration in selecting portfolio assets for investment by the strategy is the creditworthiness of the Obligor. RLM performs its own independent credit analysis of the Obligor and, if purchased through a participation interest, the financial institution from which the strategy purchases its interest in a portfolio asset. RLM's analysis will continue on an ongoing basis for any portfolio assets purchased and held by the strategy based on information available to it that it deems relevant.

For each Investment Vehicle, the strategy typically invests in a portfolio asset if, in RLM's judgment, the Obligor of such portfolio asset can meet the debt service on such portfolio asset. In addition, RLM may consider factors deemed by it to be appropriate to its analysis of the Obligor and the portfolio asset, including (without limitation) such financial ratios of the Obligor as interest coverage, debt coverage and debt to equity. In its analysis, RLM examines the nature of the industry in which the Obligor is engaged, the nature of the Obligor's investments, the management of the Obligor, the adequacy of collateral and the general quality and liquidity of the Obligor. RLM considers, among other things, the overall economic environment, the Obligor's capital structure, public debt ratings, legal, tax and environmental issues and lender liability and fraudulent conveyance risks.

For each Investment Vehicle, RLM reviews (with counsel or other advisers if deemed necessary) such documentation and financial information as it deems appropriate. In particular, RLM may consider financial, affirmative and negative covenants, events of default and conditions requiring prepayment (which may include, among other things, excess cash flow recapture, asset sales and debt and equity offerings). The structure and documentation review of a portfolio asset also takes into account the portfolio asset's assignability and liquidity, representations and warranties and other provisions of the respective loan agreement and supporting documentation. RLM also

reviews the terms and conditions of the Obligor's other indebtedness. Although such reviews are generally exhaustive, they do not eliminate the risks inherent in the strategy's investments.

For each Investment Vehicle, the strategy may invest in portfolio assets with respect to which the Obligor is a Non-Emerging Market Obligor. RLM applies the same credit standards to such Non-Emerging Market Obligor as it applies to U.S. Obligor.

***Strategy Risks:***

***General economic conditions.*** The success of any investment activity is influenced by general economic and financial conditions that may affect the level and volatility of equity prices, interest rates and the extent and timing of investor participation in the markets for both equity and interest-rate-sensitive securities. Unexpected volatility, illiquidity, governmental action, currency devaluation or other events in the global markets in which an Investment Vehicle directly or indirectly holds positions could impair an Investment Vehicle's ability to carry out its business and could cause an Investment Vehicle to incur substantial losses.

Debt obligations are subject to credit and interest rate risks. Credit risk refers to the likelihood that an Obligor will default in the payment of principal or interest on a debt obligation. Financial strength and solvency of an Obligor are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt obligation may affect its credit risk. Credit risk may change over the life of a debt obligation and debt obligations that are rated by rating agencies are often reviewed and may be subject to downgrade. Interest rate risk refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt obligation indirectly (especially in the case of fixed rate obligations) or directly (especially in the case of debt obligations whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt obligation and falling interest rates will have a positive effect on price. Adjustable-rate debt obligations also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in debt obligations with uncertain payment or prepayment schedules. CLO securities have an uncertain payment or prepayment schedule because of the uncertainty associated with the timing of the repayment of principal on the underlying collateral obligations and the circumstances in which such securities may be prepaid. Prices of the underlying assets may be volatile, and have in the past experienced volatility, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events and events relating to international disputes, terrorist attacks or pandemics, central bank monetary policy, developments or trends in any particular industry, and the financial condition of the Obligor of the obligations. The current environment has been one of rapid interest increases, and interest rate volatility is expected to continue in the near to medium term.

***Recent developments in the leveraged loan market.*** The global economy has in recent years been affected by a crisis in the credit markets, although the United States is currently in a slow but steady recovery. The global economy is still being negatively affected by, among other things, certain national deficits and sovereign debt levels and the continuing sovereign debt crisis in

certain European countries. The global economy and the United States economy from time to time are and may in the future be negatively affected by global, regional, or local events. Among the sectors of the global credit markets that have experienced particular difficulty are the collateralized debt obligations and leveraged finance markets. There continues to exist significant risks for Investment Vehicles and investors in RLM as a result of current economic conditions. These risks include, among others, (i) the likelihood that RLM will find it more difficult to cause any CLO managed by it to sell any of the underlying assets in the secondary market in the circumstances in which the CLO is permitted or otherwise required to sell the underlying assets, thus rendering it more difficult to dispose of such underlying assets, (ii) the possibility that the price at which RLM may sell loans to a CLO issuer will have deteriorated from their effective purchase price, (iii) the illiquidity of the interests and the CLO securities in which RLM intends to invest, and (iv) the possibility of a “double-dip” recession or other economic downturn affecting Obligor of corporate loans generally, and non-investment grade loans in particular. These risks may affect the returns. The volume of leveraged loans available for purchase by an Investment Vehicle in the primary market may vary from time to time. As a result, opportunities for an Investment Vehicle to purchase assets in the primary market may be limited. This is also likely to heighten refinancing risk in respect of maturing obligations. In addition, loan Obligor may be more likely to exercise any rights they may have to redeem or refinance such loans when interest rates or spreads are declining. These additional risks may affect the returns and could further slow, delay or reverse an economic recovery and cause a further deterioration in loan performance generally.

The slowdown in growth or commencement of a recession in certain economies has in the recent past and may continue to have an adverse effect on the ability of consumers and businesses to repay or refinance their existing debt. Adverse macroeconomic conditions may adversely affect the rating, performance and the realization value of the investments. It is possible that the Investments will experience higher default rates than anticipated and that performance will suffer.

Some leading global financial institutions have in recent years been forced into mergers with other financial institutions, have been partially or fully nationalized or have become bankrupt or insolvent. The bankruptcy or insolvency of a major financial institution may have an adverse effect on an Investment Vehicle. In addition, the bankruptcy, insolvency or financial distress of one or more additional financial institutions, or one or more sovereigns, may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on an Investment Vehicle. Although the leveraged finance and CLO markets have made significant recoveries from the adverse impact of the credit crisis, there can be no assurance that the leveraged finance and CLO markets will not be adversely impacted by future economic downturns or market volatility.

***Limited Liquidity; Long-Term Investments.*** There is currently no secondary market for interests in RLM, and none may develop. The interests are not expected to be readily marketable. In addition, the interests in RLM are not freely transferable without the prior written consent of the applicable board and are subject to certain additional transfer restrictions that may further limit their liquidity. Furthermore, various regulatory requirements may restrict a potential investor’s ability to purchase interests or make such an investment unattractive to them. Interests in RLM are designed for long-term investors and should not be considered a vehicle for short-term trading purposes. An investor has limited withdrawal rights. Distributions are not guaranteed, will be made at the discretion of the RLM board and may be irregular. Even if RLM’s business activities

and investments prove successful, they are unlikely to produce a realized return to investors in excess of their cost basis for a number of years. As a result, prospective investors must be prepared to bear the risk of holding the interests for long-term investment. Interests in RLM are difficult to value because they are not transferable and, to the extent that any secondary market exists for the interests in the future, the price (if any) at which interests may be sold could be at a discount, which in some cases may be substantial, from an investor's account balance. Additionally, to the extent any market exists for such interests in the future, significant delays could occur in the actual sale of interests.

***Credit Spread Risk.*** For each Investment Vehicle, the strategy is vulnerable to a decline in the market values of loans and a reduction in income to the Investment Vehicle due to adverse movements in credit spreads over LIBOR. It is anticipated that loans will typically pay interest at rates which float at a margin above a generally recognized base lending rate such as the prime rate of a designated U.S. bank, or which adjust periodically at a margin above a certificate of deposit rate or LIBOR. An increase in spreads over the base rate of Obligor of loans that are of comparable credit quality to any given portfolio asset could cause a decline in market value of the related loan.

***Credit Risks of Loans.*** Loans are subject to risks of creditworthiness of the Obligor on such loans for payment of interest and principal. The non-receipt of scheduled interest and/or principal payments on a loan constituting a portfolio asset will adversely affect the income of the Investment Vehicle or the market value of such portfolio asset, which may in turn reduce the net asset value of the strategy.

Loans may be rated below investment grade or be of similar credit quality. The lower rating of obligations in the non-investment grade market reflects a greater possibility that adverse changes in the financial conditions of an Obligor on such obligations, in general economic conditions, or both, may impair the ability of such Obligor to make payments of principal and interest or may cause the bankruptcy or insolvency of such Obligor. In the case of bankruptcy or insolvency of an Obligor, recovery of the principal or interest on such Obligor's loans is highly uncertain, both as to amount, if any, and timing.

Loans made in connection with leveraged buy-outs, recapitalizations and other highly leveraged transactions may be subject to greater credit risks than other types of loans. However, loans in which the strategy invests will generally (although not necessarily in all cases) hold the most senior position in the capitalization structure of an Obligor, and will usually be secured by assets of such Obligor. The capitalization of many Obligor can include significant leverage and may include non-investment grade subordinated debt. During periods of deteriorating economic conditions, such Obligor may experience difficulty in meeting its payment obligations under its debt obligations. Such difficulties may detract from the Obligor's perceived or actual creditworthiness or its ability to obtain short-term financing and could force such Obligor into bankruptcy or other forms of credit restructuring, all of which could adversely affect the market value of, timing and eventuality of recovering cash flow on, any senior debt included in the loans held by the strategy.

Each Investment Vehicle may acquire interests in loans that are designed to provide temporary or "bridge" financing to an Obligor pending the sale of identified assets or the arrangement of longer-term loans or the issuance and sale of debt or equity obligations. An Obligor's use of bridge loans

involves a risk that the Obligor may be unable to locate permanent financing to replace the bridge loan, which may impair the Obligor's perceived creditworthiness.

For a typical loan, an agent for the lenders administers the terms of a particular loan agreement. Each Investment Vehicle must generally rely upon the agent or intermediate participant to receive and forward to the Investment Vehicle its portion of the principal and interest payments on the loan. The agent is typically responsible for monitoring compliance with covenants contained in the loan agreement based upon reports prepared by the applicable Obligor. In addition, each Investment Vehicle will be bound by provisions of underlying loan agreements that require the preservation of the confidentiality of information provided by the Obligor.

***Assignments and Participations in Loans.*** For each Investment Vehicle, loans owned by the Investment Vehicle at any time are expected to consist of loans acquired through assignments or participations.

The purchaser of an assignment of an interest in a loan typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the loan agreement with respect to such loan. As a purchaser of an assignment, such Investment Vehicle generally will have the same voting rights as other lenders under the applicable loan agreement, including the right to vote to waive enforcement of breaches of covenants or to enforce compliance by the Obligor with the terms of the loan agreement, and the right to set-off claims against the Obligor and to have recourse to collateral, if any, supporting the loan.

Holders of loan participations are subject to additional risks not applicable to a holder of a direct interest in a loan. If an Investment Vehicle purchases a participation in a loan, the Investment Vehicle will generally have the right to receive payments of principal, interest and any other amounts to which it is entitled only from the selling institution and only to the extent actually received by such selling institution from the Obligor. Such Investment Vehicle may generally not directly benefit from the collateral, if any, supporting the related loan and may be subject to any rights of set-off the Obligor has against the selling institution. As a result, the Investment Vehicle will assume the credit risk of both the Obligor and the institution selling the participation, which will remain the legal owner of record of the applicable loan. A participant in a loan will generally not have any right to enforce compliance by the Obligor with the terms of the loan agreement or any right to vote under the applicable loan agreement with respect to any matter that arises thereunder. Selling institutions voting in connection with such matters may have interests different from those of an Investment Vehicle and may fail to consider the interests of the Investment Vehicle in connection with their administration of, or vote on, a loan.

In the event of insolvency of the selling institution, the owner of a participation interest may be treated as a general creditor of the selling institution and may not have any exclusive or senior claim with respect to the institution's interest in, or the collateral, if any, with respect to, the applicable loan and may not benefit from any set-off between the selling institution and the Obligor. As a result, a concentration of participations from any one selling institution subjects a Investment Vehicle to an additional degree of risk with respect to defaults by such selling institution. Such concentrations are limited by the investment restrictions set forth herein.

Certain loans may be governed by the law of a jurisdiction other than a United States jurisdiction. Each Investment Vehicle is unable to provide any information with respect to the risks associated with purchasing a participation under an agreement governed by the laws of any jurisdiction other than United States jurisdictions, including characterization under such laws of such participation in the event of the insolvency of the institution from whom the Investment Vehicle purchases such participation.

***Collateral Impairment Risks.*** Loans may be secured by assets or property pledged by the Obligor (“Loan Collateral”). For each type of loan that an Investment Vehicle holds, Loan Collateral is generally evaluated on the basis of the Obligor's status as a going concern and such valuation may exceed the immediate liquidation value of the Loan Collateral. There is no assurance that the liquidation of the Loan Collateral would satisfy the Obligor's obligation in the event of nonpayment of scheduled interest or principal, or that Loan Collateral could be readily liquidated.

If an Obligor becomes involved in bankruptcy proceedings, a court may invalidate the Investment Vehicle's security interest in the Loan Collateral or subordinate the Investment Vehicle's right under the Loan to the interests of the Obligor's unsecured creditors. Such action by a court could be based, for example, on a fraudulent conveyance claim to the effect that the Obligor did not receive fair consideration for granting the security interest in the Loan Collateral to the holders of interests in such loan (including the Investment Vehicle). For loans made in connection with a highly leveraged transaction, consideration for granting a security interest may be deemed inadequate if the proceeds of the loan were not received or retained by the Obligor, but were instead paid to other persons (such as shareholders, subsidiaries, or affiliates of the Obligor) in an amount which left the Obligor insolvent or without sufficient working capital. There are also other events, such as the failure to perfect a security interest due to faulty documentation or faulty official filings, which could lead to the invalidation of the security interest in the Loan Collateral. If the Investment Vehicle's security interest in Loan Collateral is invalidated or the loan is subordinated to other debt of an Obligor in bankruptcy or other proceedings, it may significantly reduce the probability that an Investment Vehicle would be able to recover the full amount of the principal and interest due on the loan.

***Lender Liability and Equitable Subordination Considerations.*** For each Investment Vehicle, such Investment Vehicle or the grantor of a participation in a loan may be subject to "lender liability" claims or to claims that such loan should be equitably subordinated to the claims of other lenders. Lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the Obligor or has assumed a degree of control over the Obligor resulting in a creation of a fiduciary duty owed to the Obligor or its other creditors or shareholders. In addition, courts have in some cases applied the doctrine of equitable subordination to subordinate the claim of a lending institution against an Obligor to claims of other creditors of the Obligor, when the lending institution is found to have engaged in unfair, inequitable, or fraudulent conduct.

***Potential Effects of Prepayments.*** The documentation for loans in which an Investment Vehicle invests may give the Obligor the right to prepay or require, in addition to scheduled payments of interest and principal, the prepayment of loans from free cash flow. The degree to which the Obligors prepay loans, whether as contractual requirement or at their election, may be affected by general business conditions, the financial condition of the Obligor and competitive conditions

among lenders, among others. As such, prepayments cannot be predicted with accuracy. Upon a prepayment, either in part or in full, the actual outstanding debt from which an Investment Vehicle derives interest income will be reduced.

***Risks of Debt Securities held by RLM.*** Portfolio assets may include high yield debt securities that are rated below investment grade, which will be obligations of corporations, partnerships or other entities that are Non-Emerging Market Obligor.

Obligors of debt securities, like any obligation rated below investment grade, will have greater credit and liquidity risks than investment grade obligations. Debt securities may be unsecured and may be subordinated to other obligations of the Obligor thereof. The lower ratings of obligations in the non-investment grade market reflect a greater possibility that adverse changes in the financial condition of an Obligor of such obligations may impair that ability of such Obligor to make payments of principal and interest. Factors adversely affecting the market value of such debt securities are likely to adversely affect the Net Asset Value of the notes.

Risks of debt securities may include (among others): (i) limited liquidity and secondary market support, (ii) substantial market price volatility resulting from changes in prevailing interest rates, (iii) subordination to the prior claims of banks and other senior lenders, (iv) the operation of mandatory sinking strategy or call/redemption provisions during periods of declining interest rates that could cause RLM to reinvest premature redemption proceeds in lower yielding debt securities, (v) the possibility that earnings of the Obligor on such debt securities may be insufficient to meet its debt service and (vi) the declining creditworthiness and potential for insolvency of such Obligor. An economic downturn or an increase in interest rates could be adverse to the creditworthiness of such Obligor, severely disrupt the market for its debt securities and adversely affect the value of outstanding debt securities and the ability of the Obligor thereof to repay principal and interest.

Obligors of debt securities may be highly leveraged and may not have available to them more traditional methods of financing. The risks associated with owning the securities of such Obligors generally are greater than in the case with higher rated securities. For example, during an economic downturn or a sustained period of rising interest rates, such Obligors may be more likely to experience financial stress, especially if such Obligors are highly leveraged. During such periods, timely service of debt obligations may also be adversely affected by specific Obligor developments, or such Obligor's inability to meet specific projected business forecasts or the unavailability of additional financing. The risk of loss due to default by the Obligor is significantly greater for the holders of Debt Securities because such securities may be unsecured and may be subordinated to other creditors of the Obligor of such debt securities. In addition, RLM may incur additional expenses to the extent it is required to seek recovery upon a default on a debt security or participate in the restructuring of such obligation.

The performance of debt securities is subject to the risk of market changes in prevailing interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially if the interest rate paid by such instrument is fixed). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price.

Debt securities may have call or redemption features that would permit the Obligor thereof to repurchase the debt securities from RLM. If a call were exercised by the Obligor of debt securities during a period of declining interest rates, RLM may have to replace such called debt securities with lower yielding assets. Redemption by Obligors of debt securities generally should not materially affect the Alternative Investment's relative performance because RLM will attempt to reinvest prepayments of debt securities in other Investment Vehicle. RLM may receive redemption premiums from the prepayment of debt securities and the receipt of such redemption premiums may mitigate any adverse impact on RLM's yield. The necessity of reinvesting, however, does pose risks, among others, that (i) credit spreads on newly acquired debt securities may be lower than on previously held debt securities and (ii) delay in reinvesting could result in holdings of investments providing lower yields to RLM.

The prices of debt securities have at times experienced significant and rapid decline when a substantial number of holders decided to sell. In addition, RLM may have difficulty disposing of certain debt securities because there may be a thinly traded market for such securities. To the extent that a secondary trading market for non-investment grade debt securities does exist, it is generally not as liquid as the secondary market for higher rated securities. Limited secondary market liquidity may have an adverse impact on market price and RLM's ability to dispose of particular issues when necessary to meet RLM's liquidity needs or in response to a deterioration in the creditworthiness of the Obligor of such securities. Limited secondary market liquidity for certain debt securities may also make it more difficult for RLM to obtain accurate market quotations for purposes of valuing the assets. Market quotations are generally available on many debt securities from only a limited number of dealers and might not in every instance represent executable bids of such dealers for actual sales.

***Risk of Lower Rated Loans.*** An Investment Vehicle may invest in loans rated below B-/B3 or similar unrated securities. These may include loans made to borrowers that are involved in bankruptcy or insolvency proceedings. Risks of investment in such loans are generally exacerbated in connection with these lower rated or unrated loans, which are often riskier, and could include: limited liquidity and secondary market support, substantial market price volatility, subordination to the prior claims of other creditors as determined during bankruptcy or insolvency proceedings, declining creditworthiness and potential for insolvency of such Obligors not already subject to such conditions, resulting in a total loss of the investment.

***Withholding Tax on Portfolio Assets.*** For each Investment Vehicle, the portfolio assets are required to not be subject to withholding tax unless the issuer thereof is required to make "gross-up" payments. With respect to portfolio assets that are not subject to withholding tax at the time of their inclusion in the portfolio, however, there can be no assurance that, as a result of any change in any applicable law, treaty, rule or regulation or interpretation thereof, the payments on such portfolio assets might not in the future become subject to U.S. or other withholding tax. In the event that any withholding should become applicable to payments on any portfolio asset which is not compensated for by a "gross-up" provision under the terms of such portfolio assets, such tax would reduce the amounts available to make payments.

***Liquidity of Portfolio Assets.*** For each Investment Vehicle, any portfolio assets rated below investment grade will generally have greater liquidity risks than investment grade portfolio assets. In addition, certain portfolio assets may be subject to restrictions on transfer. There can be no



assurance that a liquid market exists for portfolio assets. To the extent that the portfolio assets are affected by market illiquidity, the ability to dispose of such assets at prices and times may be limited. These risks may be more pronounced, and the Investment Vehicle may be affected by widening bid-offer spreads or more volatile trading prices, if the Investment Vehicle is required to liquidate its positions to generate cash in order to redeem notes or meet other obligations. Such liquidations may lead to the need for the Investment Vehicle to incur capital losses in connection with dispositions of assets to meet such cash requirements. Even in the absence of default with respect to a portfolio asset, market volatility could cause the market value of a portfolio asset to vary over time, and to vary substantially, from its initial purchase price. A disruption in the secondary markets for the Investment Vehicle's assets may cause market value declines for any number of its assets. Any such decline, even if temporary, could have a material adverse effect upon value.

***Non-Emerging Market Obligors.*** As discussed herein, each Investment Vehicle may acquire loans made to, (a) Obligors headquartered in the United States (including its territories and possessions) or Canada (collectively, "U.S. Obligors") and (b) Obligors which are not U.S. Obligors and which are headquartered in Non-emerging market countries ("Non-Emerging Market Obligors"). In general, since Non-Emerging Market Obligors may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. Obligors, there may be less publicly available information about these entities than about U.S. Obligors. Volume and liquidity in most non-U.S. trading markets is less than in the United States and, at times, price volatility can be greater than in the United States. Fixed commissions in non-U.S. markets are generally higher than negotiated commissions in United States markets, although each Investment Vehicle will endeavor to achieve the most favorable net results on its portfolio transactions. There is generally less governmental supervision and regulation of financial markets, brokers and listed entities in non-U.S. markets than in the United States. RLM believes, however, that U.S. Dollar denominated loans to entities organized in United States territories and possessions (such as Puerto Rico) and in Canada generally present no material incremental political, exchange control or accounting risks as the relevant laws and accounting standards are substantially similar to those of the United States. Loans to non-U.S.-based entities will in some cases be issued by a special purpose vehicle formed under United States law by a non-U.S. entity that does not have a substantial operation in the United States and/or Canada but has significant operations outside North America. These assets may carry additional risks similar to those of Non-Emerging Market Obligors.

The economies of other countries may differ favorably or unfavorably from the United States economy. Nationalization, expropriation or confiscatory taxation, currency control, political changes, government regulation, political or social instability or diplomatic developments could adversely affect the economy of a non-U.S. country or an Investment Vehicle's investment in such country. In the event of nationalization, expropriation or other confiscation, an Investment Vehicle could lose all or a substantial portion of any portfolio assets in the country involved. In addition, laws in other countries governing business organizations, bankruptcy and insolvency may provide less protection to creditors (such as an Investment Vehicle) than that provided by United States laws.

***Insolvency Considerations With Respect to Loans.*** Various laws enacted for the protection of creditors may apply to portfolio assets issued by U.S. Obligors (each, a "U.S. Portfolio Asset").

Portfolio assets consisting of obligations issued by Non-Emerging Market Obligors may be subject to various laws enacted in the home countries of their issuance for the protection of creditors. Insolvency considerations will differ depending on the country in which each Obligor is located and may differ depending on whether an Obligor is a non-sovereign or sovereign entity. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an Obligor of a U.S. Portfolio Asset, such as a trustee in bankruptcy of an Obligor, were to find that such Obligor did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting the U.S. Portfolio Asset and, after giving effect to such indebtedness, such Obligor (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such Obligor constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine (a) to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, (b) to subordinate such indebtedness to existing or future creditors of such Obligor or (c) to recover amounts previously paid by such Obligor in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an Obligor would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether an Obligor was "insolvent" after giving effect to the incurrence of the indebtedness constituting the U.S. Portfolio Asset or that, regardless of the method of valuation, a court would not determine that such Obligor was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an Obligor of a U.S. Portfolio Asset, payments made on such U.S. Portfolio Asset could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year and one day) before insolvency.

In general, if payments on a U.S. Portfolio Asset are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as the Investment Vehicle) or from subsequent transferees of such payments (such as an investor in an Investment Vehicle). To the extent that any such payments are recaptured from the Investment Vehicle, the resulting loss will be borne in the first instance by the investors in the Investment Vehicle. However, a court in a bankruptcy or insolvency proceeding would be able to direct the recapture of any such payment from investors in an Investment Vehicle only to the extent that such court has jurisdiction over such holder or its assets. Moreover, it is likely that avoidable payments could not be recaptured directly from an investor that has given value in exchange for its investment, in good faith and without knowledge that the payments were avoidable. Nevertheless, since there is no judicial precedent relating to certain structured transaction, there can be no assurance that an investor will be able to avoid recapture on this or any other basis.

***Increased Competition in the Market May Result in Increased Price Volatility or a Shortage of Opportunities.*** In recent years there has been a marked increase in the number of, and flow of capital into, investment vehicles established to implement alternative asset investment strategies, including the strategy implemented by an Investment Vehicle, whereas the size of this market is relatively limited. While the precise effect of such competition cannot be determined, such increase may result in greater competition for investment opportunities that an Investment Vehicle may pursue for its own account, which may result in an increase in the price of such investments relative to the risk taken on by holders of such investments. Such competition may also result

under certain circumstances in increased price volatility or decreased liquidity with respect to certain positions.

No assurances can be given that an Investment Vehicle will deploy all of its capital in a timely manner or at all, such as in circumstances where the market for CLOs is highly competitive.

***Investments Will Have Limited Liquidity.*** RLM will invest primarily in CLO securities comprising the Retention Interests in such CLOs, and will be required to hold such Retention Interests, by contractual agreement or by applicable law (including the U.S. Final Rule and/or the EU Retention Requirements) until certain conditions are met that are unlikely to occur until the related CLO is refinanced or redeemed. Furthermore, the CLO securities to be held by RLM are themselves illiquid investments and may lack a liquid trading market, which may result in the inability of RLM to sell any such security or other investment or to close out a transaction in the event it would otherwise be permitted to do so.

***Fair Valuation.*** While there are available market prices for certain investments held by RLM, the market for CLO equity securities is generally not transparent and quotes received from multiple dealers may have large spreads, thereby decreasing the reliability of such quotations. Quotations may also be indicative rather than representing an actual bid or offer. Typically, entities use a variety of fair value techniques or methodologies in order to value such investments. When determining the fair value to be assigned to an investment, RLM seeks to determine, in good faith, the price that an Investment Vehicle might reasonably expect to receive from the current sale of that investment in an arm's-length transaction, considering such factors as the nature and type of asset, the marketplace in which the asset trades, the pricing and trading history, if any, of the asset and of similar assets and issuers and the use of valuations based on net assets or discounted cash flows.

In some cases, valuation of certain investments may be based upon third party or proprietary valuation models, indicative quotes or estimates of value and not actual executed historical trades. Investment Vehicles will use reasonable efforts to base such inputs on observable market prices and inputs but there can be no assurances that such information will be readily available. Investors should be aware that the models, information and/or underlying assumptions utilized will not always allow RLM to correctly capture the fair value of an asset; rather fair value or manual pricing is intended to yield a good faith approximation of the value of an asset and cannot, ex ante, be guaranteed to have reflected the actual or empirical value of any asset, as might be determined with the benefit of hindsight (particularly in periods of market distress) as fair value price adjustments may prove incorrect as to direction and magnitude. Thus, the fair value assigned to an asset may not match the next available and reliable market price or, in retrospect, have been the price at which that asset could have been sold during the period in which the particular fair values were being used, which may impact: (i) the cost paid or proceeds realized by an Investment Vehicle upon the purchase or disposition of an investment; (ii) the compensation paid to the Investment Vehicle; and (iii) the proceeds received upon a withdrawal.

***Reliance on Industry Data Sources and Quantitative Models.*** The strategies of RLM may rely on the financial information made available (on a non-confidential basis) by the issuers, servicers, third party modeling firms, third party data providers, and trustees of securities in which an Investment Vehicle will invest for both valuation and investment purposes. Recent events in the

United States and around the world have demonstrated the material losses that investors can incur as a result, of the difficulty in creating or sourcing useable data in order to create adequate investment models. RLM is expected to utilize third party data sources in connection with their use of third party and proprietary quantitatively-based financial/analytical models to aid in the selection and monitoring of investments and to determine the risk profile of an Investment Vehicle. The success of an Investment Vehicle's investment and trading activities will depend on the viability of this data and these analytical models, among other factors. There can be no assurance that the models are currently viable, or, if the models are currently viable, that they will remain viable during the existence of an Investment Vehicle. RLM utilizes this data and create models based upon their best estimates of the impact of macroeconomic market factors on the CLO equity market and the other markets in which a Fund or RLM may invest. Also, there can be no assurance that the investment professionals utilizing the models will be able to (i) determine that any model is or will become not viable, or not completely viable, (ii) ensure that the models will accurately capture these relationships between asset classes and types and continue to do so over time or (iii) notice, predict or adequately react to any change in the viability of a model. The use of a model that is not viable or not completely viable could, at any time, have a material adverse effect on an Investment Vehicle.

***CLO equity securities are volatile and interest and principal payments payable on the CLO equity securities are not fixed.*** CLO equity securities are the most subordinated tranche of a CLO and all payments of principal and interest on such CLO equity securities are fully subordinated. Interest and principal payments are not fixed but are based on residual amounts available to make such payments. As a result, payments on such CLO equity securities will be made by the CLO issuer to the extent of available funds, and no payments thereon will be made until amongst other things (a) the payment of certain costs, fees and expenses have been made and (b) interest and principal (respectively) has been paid on the more senior notes of the CLO. Non-payment of interest or principal on such CLO equity securities will be unlikely to cause an event of default in relation to the CLO issuer.

CLO equity securities represent a highly leveraged investment in the underlying assets of the CLO issuer. Accordingly, it is expected that changes in the market value of such CLO equity securities will be greater than changes in the market value of the underlying assets of the CLO issuer, which themselves are subject to credit, liquidity, interest rate and other risks. Utilization of leverage is a speculative investment technique and involves certain risks to investors and will generally magnify the CLO equity securities investors' opportunities for gain and risk of loss. In certain scenarios, the CLO equity securities may be subject to a partial or a 100 per cent loss of invested capital. CLO equity securities represent the most junior securities in a leveraged capital structure. As a result, any deterioration in performance of the asset portfolio of a CLO issuer, including defaults and losses, a reduction of realized yield or other factors, will be borne first by holders of such CLO equity securities prior to the rest of the capital structure.

***CLO equity securities are a limited recourse obligation of the CLO issuer.*** CLO equity securities are a limited recourse obligation of a CLO issuer and amounts payable on CLO equity securities are payable solely from amounts received in respect of the collateral of the CLO issuer. Payments on CLO equity securities prior to and following enforcement of the security over the collateral of a CLO issuer are subordinated to the prior payment of certain costs, fees and expenses of, or payable by, the CLO issuer and to payment of principal and interest on more senior notes of the

CLO issuer. The holders of CLO equity securities must rely solely on distributions on the collateral of the CLO for payment of principal and interest, if any, on the CLO equity securities. There can be no assurance that the distributions on the collateral of a CLO will be sufficient to make payments on the CLO equity securities. If distributions are insufficient to make payments on the CLO equity securities, no other assets of the CLO issuer will be available for payment of the deficiency and following realization of the collateral and the application of the proceeds thereof, the obligations of the CLO issuer to pay such deficiency shall be extinguished. Such shortfall will be borne in the first instance by the CLO equity securities.

In addition, at any time while the CLO equity securities are outstanding in a CLO, no CLO equity securities holder shall be entitled at any time to institute against the related CLO issuer, or join in any institution against such CLO issuer of, any bankruptcy, reorganization, arrangement, insolvency, examinership, winding up or liquidation proceedings under any applicable bankruptcy or similar law in connection with any obligations of the CLO issuer relating to the CLO equity securities or otherwise owed to the CLO equity security holder, save for lodging a claim in the liquidation of the CLO issuer which is initiated by another party or taking proceedings to obtain a declaration as to the obligations of the CLO issuer, nor shall it have a claim arising in respect of the share capital of the CLO issuer.

***Risks of Loan Warehouses.*** RLM may invest capital in loan warehouses to acquire loans on an interim basis that are expected to form part of the portfolio of a future CLO. Investments in loan accumulation facilities have risks that are similar to those applicable to investments in CLOs as described herein. Loan warehouses may take the form of a RLM acquiring loans, either in its own name or through a subsidiary, using leverage provided by a credit facility or total return swap. In such cases RLM would typically provide take a “first loss” equity position that would require the Company to bear the amount of any realized losses on the loans held pursuant to the applicable warehouse, which would increase the risk borne by RLM and, ultimately to investors.

There typically will be no assurance that the future CLO will be consummated or that the loans held in such a loan accumulation facility are eligible for purchase by the CLO. In the event a planned CLO is not consummated, or the loans are not eligible for purchase by the CLO, RLM may be responsible for either holding or disposing of the loans. This could expose RLM to credit and/or mark-to-market losses. Leverage is often utilized in a loan accumulation facility and as such the potential risk of loss will be increased for such loan accumulation facilities that employ leverage.

***Seasoning Periods Under EU Retention Requirements.*** RLM may be required to acquire loans for its own account and hold them for not less than a certain period of time prior to selling such loans to a CLO in order to be considered the “originator” of such loan under Articles 404-410 of the EU Capital Requirements Regulation (Regulation (EU) 575/2013) as published on June 27, 2013 (the “CRR” and, together with any applicable guidelines, technical standards and related documents published by the European Banking Authority, the “CRR Retention Requirements”) and Section 5 of the European Union Commission Delegated Regulation (EU) 231/2013 (the “AIFMD Level 2 Regulation”) implementing Article 17 of European Union Directive 2011/61/EU on Alternative Investment Fund Manager Directive (“AIFMD”) together with any applicable guidance, technical standards and related documents published by any European regulator in relation thereto and any implementing law or regulation in force in any member state of the

European Union (the “AIFMD Retention Requirements” and, together with the CRR Retention Requirements, the “EU Retention Requirements”). In the event that such a loan undergoes a default or credit event and is not eligible for purchase by the CLO, RLM may be responsible for either holding or disposing of the loan. In addition, RLM may sell such a loan to the applicable CLO at the price at which it was acquired by RLM, or RLM may be required to sell the loan to the applicable CLO at the prevailing market price at the time of the sale. This could expose RLM to credit and/or mark-to-market losses. The periods of time for which RLM is required to undertake this risk is in flux and at all times subject to change by investors and regulators in the EU.

***Liability for breach of a risk retention letter.*** The arranger and certain other parties of a CLO in which RLM invests and holds the Retention Interests will require RLM to execute a risk retention letter. Under a risk retention letter RLM will typically be required to, amongst other things, make certain representations, warranties and undertakings in relation to its acquisition and retention of the Retention Interests for the life of the CLO, and regarding its agreement to sell assets to the relevant CLO from time to time. If RLM sells or is forced to sell the Retention Interests prior to the maturity of the relevant CLO, or if for any other reason RLM is not considered to be an “originator” (as such term is defined in the CRR), RLM may be in breach of the terms of the related risk retention letter. In such circumstances the arranger of the relevant CLO and the other parties to the related risk retention letter may have recourse to RLM for losses incurred as a result of such breach. Such claims may reduce, or entirely diminish any cash or assets of RLM which may have been available to make distributions.

See also “*General Risks*” below.

### ***General Risks***

Investment Vehicles entail a high degree of risk. Investors should give careful consideration to the following risk factors and conflicts of interest detailed in this Item 8 and other product-specific information provided by the product or RLM in evaluating the merits and suitability of any Investment Vehicle products. The following does not purport to be a comprehensive summary of all the risks and conflicts of interest associated with Investment Vehicles. As used in this Item 8, “Collateral Manager” means RLM unless the context indicates otherwise.

#### **Investment in General**

Any prospective client must be able to bear the risks involved and must meet the suitability requirements of the Investment Vehicles. Some or all Investment Vehicle strategies employed by the Investment Vehicles may not be suitable for certain investors. No assurance can be given that the Investment Vehicles’ investment objectives will be achieved. Investments in CLOs and other types of private investment funds are typically speculative and involve a substantial degree of risk. Past results of the Investment Vehicles managed by the Collateral Manager or its affiliates are not necessarily indicative of future performance of any Investment Vehicle and the performance of such Investment Vehicle may be volatile. Such past performance may not be an accurate indicator of future returns. Investment results may vary substantially on a monthly, quarterly or annual basis. The establishment and use of an Investment Vehicle does not constitute a complete investment program. A prospective client must realize that it could lose all or a substantial amount of its investment in an Investment Vehicle.

RLM expects that certain Investment Vehicles may underperform or experience financial difficulties, which difficulties may never be overcome. Certain Investment Vehicles may be highly illiquid. RLM may utilize highly speculative investment techniques, including extremely high leverage, highly concentrated portfolios, workouts and startups, control positions and illiquid investments. No assurance can be given that an Investment Vehicle will achieve its goals or investment objectives.

Legislative and Regulatory Risks. The recent turmoil in the global credit markets has created significant political support for additional legislation and regulation. In the United States, this legislation includes, but is not limited to, the enactment of Dodd-Frank, which imposes a new regulatory framework over the U.S. financial services industry and mandates the issuance of implementing regulations by the federal financial regulatory agencies. Various regulations implementing Dodd-Frank, including, but not limited to, final and proposed regulations by the SEC and other federal regulatory agencies that, as enacted or if enacted, as applicable, do or could significantly alter the manner in which asset-backed securities, including securities similar to the CLO securities in which RLM intends to invest, are issued and structured and increase the reporting obligations of the issuers of such securities. Given the broad scope and sweeping nature of these changes and the fact that not all final implementing rules and regulations have been enacted, the potential impact of these actions on RLM and/or an Investment Vehicle is unknown, and no assurance can be made that the impact of such changes would not have a material adverse effect on the prospects of RLM or an Investment Vehicle or the value or marketability of the interests in an Investment Vehicle.

In addition, any or the legislation or regulations described below may be amended, supplemented or revoked from time to time. There is no guarantee that existing CLOs will be grandfathered into the regime which results from such amendments, supplements or revocations and, as such, the CLOs may become non-compliant with the Retention Requirements.

*CFTC.* In 2012 the CFTC adopted rules under the Dodd-Frank Act that include “swaps” along with “commodities” as contracts which if traded by an entity may cause that entity to fall within the definition of a “commodity pool” under the Commodity Exchange Act and the related collateral manager to fall within the definition of a commodity pool operator (“CPO”) and a “commodity trading adviser” (“CTA”). Regulation of issuers as a commodity pool and/or regulation of RLM as a CPO and a CTA with respect to a CLO could cause the CLO to be subject to extensive registration and reporting requirements that may involve material costs. Based on guidance issued by the CFTC, each CLO is expected to take the position that it is not a “commodity pool,” and will manage its involvement in any future swap transactions accordingly, and RLM does not intend to register as a CPO or CTA with respect to any CLO. However, as a result of these actions the extent to which any CLO may be able to enter into hedge agreement may be limited. In particular, the limits imposed by such exemptions may prevent issuers from entering into a hedge agreement that RLM believes would be advisable or result in the issuer incurring financial risks that would have been hedged absent such limits.

*Volcker Rule.* Section 619 of Dodd-Frank added a provision, commonly referred to as the “Volcker Rule”, to federal banking laws to generally prohibit various covered banking entities from engaging in proprietary trading or acquiring or retaining an ownership interest in, sponsoring or having certain relationships with a “covered fund” (defined in final regulations adopted on

December 10, 2013 (the “Final Volcker Regulations”)), as, among other things, any entity relying on Section 3(c)(1) or Section 3(c)(7) of the 1940 Act to be exempt from registration under the Investment Company Act), subject to certain exclusions. The Volcker Rule also provides for certain supervised nonbank financial companies that engage in such activities or have such ownership interests in covered funds or relationships to be subject to additional capital requirements, quantitative limits or other restrictions. The Final Volcker Regulations became effective on April 1, 2014, although banking entities have until July 21, 2016, to bring any existing activities and investments into full conformance, subject to a one-year extension granted at the discretion of the Board of Governors of the Federal Reserve System (“Federal Reserve Board”) upon a consideration of a variety of factors, including a determination that an extension would not be detrimental to the public interest. Although the Volcker Rule and the implementing rules contain exemptions applicable to securitizations of loans, it is unclear what effect the Volcker Rule and its implementing regulations will have on the ability or desire of certain investors subject to the Volcker Rule to invest in or to continue to hold CLO securities, and as a result there is the potential that the Volcker Rule as implemented will adversely affect the market value or liquidity of any or all of the investments held by RLM.

U.S. Risk Retention Rules. On October 21, 2014, the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the “**U.S. Risk Retention Rules**”) were issued. Except with respect to asset-backed securities transactions that satisfy certain exemptions, the U.S. Risk Retention Rules generally require a “sponsor” of asset-backed securities or its “majority-owned affiliate” (as defined in the U.S. Risk Retention Rules) to retain not less than 5% of the credit risk of the assets collateralizing asset-backed securities (the “**Minimum Risk Retention Requirement**”). The U.S. Risk Retention Rules became effective on December 24, 2016 with respect to asset-backed securities collateralized by assets other than residential mortgages. As further discussed in the adopting release with respect to the U.S. Risk Retention Rules, the entity acting as the collateral manager of a CLO was initially considered the “sponsor” of such CLO. However, on February 9, 2018, the United States Court of Appeals for the District of Columbia held, in *The Loan Syndications and Trading Association v. Securities and Exchange Commission and Board of Governors of the Federal Reserve System*, No. 1:16-cv-0065 (the “**LSTA Decision**”), that collateral managers of “open market CLOs” (described in the LSTA Decision as CLOs where assets are acquired from “arms-length negotiations and trading on an open market”) are not “securitizers” or “sponsors” under Section 941 of the Dodd-Frank Act and, therefore, are not subject to risk retention and do not have to comply with the U.S. Risk Retention Rules. Accordingly, RLM has informed the Investment Vehicles that neither it nor any of its affiliates intends to satisfy the Minimum Risk Retention Requirement in reliance on the LSTA Decision. If it is subsequently determined that this CLO transaction does not constitute an “open market CLO,” RLM may fail to comply (or not be able to comply) with the U.S. Risk Retention Rules, which may have a material adverse effect on RLM, the Investment Vehicle and/or the market value and/or liquidity of the notes. While the LSTA Decision did not specifically apply to “open market CLOs” that have the ability to acquire bonds and other securities, the analysis set forth in the LSTA Decision could apply to such a transaction if the manner in which the collateral manager selects such non-loan assets and the manner in which the CLO transaction acquires such non-loan assets are similar to the circumstances on which the LSTA Decision was based. However, there can be no assurance that the federal agencies responsible for the U.S. Risk Retention Rules will agree with such interpretation and, if the Issuer acquires Permitted Non-Loan Assets, such federal agencies could seek to distinguish this transaction 46 from the “open market CLOs”



covered by the LSTA Decision and to conclude that the U.S. Risk Retention Rules apply to this transaction. As a result of the LSTA Decision and the fact that no party intends to satisfy the Minimum Risk Retention Requirement with respect to this transaction, investors in the notes will not be entitled to the protections previously afforded by the U.S. Risk Retention Rules that required CLO collateral managers to have “skin in the game” and to comply with certain disclosure obligations specified in the U.S. Risk Retention Rules. No assurance can be made whether or not any governmental authority will continue to take further legislative or regulatory action in response to past or future economic crises, or otherwise, including by adopting new credit risk retention rules for “open market CLOs,” and the effect (and extent) of such actions, if any, cannot be known or predicted.

In the event that the U.S. Risk Retention Rules become applicable to this CLO transaction in the future (whether as a result of regulatory action or governmental action), or it is subsequently determined that this CLO transaction does not constitute an “open-market CLO,” the Collateral Manager (or a “majority-owned affiliate” thereof) may be required to acquire additional notes (either in the secondary market or through an additional issuance of notes). If RLM fails (or is unable) to so comply with the U.S. Risk Retention Rules, such failure (or inability) may (i) result in significant negative reputational consequences for RLM, (ii) materially and adversely affect the ability of the RLM to perform its obligations under the collateral management agreement or indenture, and/or (iii) have a material adverse effect on the Investment vehicle and/or the market value and liquidity of the notes. Furthermore, should the U.S. Risk Retention Rules become applicable to this transaction in the future, the Investment Vehicle’s ability to effect any additional issuance of notes, any refinancing, any re-Pricing or any material amendment may be impaired or limited. As a result, the U.S. Risk Retention Rules may adversely affect the Investment Vehicle (and the performance, market value and/or liquidity of the notes) if the Investment Vehicle is unable to undertake any such additional issuance, refinancing, re-pricing or any other material amendment. In granting or withholding its consent to any such action to the extent it is required under the indenture with respect thereto, it should be expected that RLM will act in its own self-interest (and will not take into account the interests of any other person, including the Investment Vehicle and/or any holders of notes) and not consent to any of the foregoing actions if to do so might cause RLM to be concerned about its ability to comply with the U.S. Risk Retention Rules, and will have no obligation to effect any of the foregoing actions if doing so would, in the sole determination of RLM, require RLM or any of its affiliates, under the U.S. Risk Retention Rules, to purchase or retain notes in connection with such action. However, in such scenario, there is no guarantee that RLM will take such action or that any such action would prevent RLM from failing to comply with the U.S. Risk Retention Rules. Furthermore, no other holder of notes will have the right to purchase any such additional notes issued or incurred in connection with an additional issuance that is effected to permit RLM or an affiliate thereof to comply with the U.S. Risk Retention Rules and, therefore, may have their proportional holdings of notes diluted in connection therewith.

LIBOR. The London Interbank Offered Rate, or “LIBOR,” has historically been the principal floating rate benchmark in the financial markets. However, as a result of longstanding regulatory initiatives, LIBOR is being discontinued. Its discontinuation has affected and will continue to affect the financial markets generally and may also affect our operations, finances and investments specifically. The date of discontinuation will vary depending on the LIBOR currency and tenor. In

March 2021, the UK FCA, which is the regulator of the LIBOR administrator, announced that LIBOR settings will cease to be provided by any administrator or will no longer be representative after specified dates, which will be June 30, 2023, in the case of the principal U.S. dollar LIBOR tenors (overnight and one, three, six and 12 month), and December 31, 2021, in all other cases (i.e., one week and two month U.S. dollar LIBOR and all tenors of non-U.S. dollar LIBOR). Thus, many existing LIBOR contracts will transition to another benchmark after June 30, 2023 or, in some cases, after December 31, 2021. For some existing LIBOR-based obligations, the contractual consequences of the discontinuation of LIBOR may not be clear. In the United States, there have been various efforts to identify a set of alternative reference interest rates for U.S. dollar LIBOR. The market has generally coalesced around recommendations from the Alternative Reference Rates Committee (the “ARRC”) convened by the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of New York. The ARRC has recommended that U.S. dollar LIBOR be replaced by rates based on the Secured Overnight Financing Rate (“SOFR”) plus, in the case of existing LIBOR contracts and obligations, a spread adjustment. As a consequence of the FCA announcement described above (and a related announcement from the LIBOR administrator), the spread adjustments for different tenors of U.S. dollar LIBOR have been set. The FCA and certain U.S. regulators have emphasized that, despite expected publication of U.S. dollar LIBOR through June 30, 2023, no new contracts using U.S. dollar LIBOR should be entered into after December 31, 2021 and that, for certain purposes, market participants should transition away from U.S. dollar LIBOR sooner. Although the foregoing reflects the likely timing and certain details and consequences of the LIBOR discontinuation, there is no assurance that LIBOR, of any particular currency and tenor, will continue to be published until any particular date or in any particular form.

Financial markets, particularly the trading market for LIBOR-based obligations, may be adversely affected by the discontinuation of LIBOR, the remaining uncertainties regarding its discontinuation, the alternative reference rates that will be used when LIBOR is discontinued (including SOFR-based rates) and other reforms related to LIBOR. There is no assurance that SOFR-based rates, as modified by an applicable spread adjustment, will be the economic equivalent of U.S. dollar LIBOR. SOFR-based rates will differ from U.S. dollar LIBOR, and the differences may be material. As a result of the LIBOR discontinuation, an Investment Vehicle’s performance or net asset value may be adversely affected. In addition, SOFR-based rates or other alternative reference rates may be an ineffective substitute for LIBOR, resulting in prolonged adverse market conditions for RLM and its Investment Vehicles. There also remains uncertainty and risk regarding the willingness and ability of issuers to include enhanced provisions in new and existing contracts or instruments. Abandonment of or modifications to LIBOR could lead to significant short-term and long-term uncertainty and market instability. If LIBOR ceases to exist, we and our portfolio companies may need to amend or restructure our existing LIBOR-based debt instruments and any related hedging arrangements that extend beyond 2023, which may be difficult, costly and time consuming. In addition, from time to time we invest in floating rate loans and investment securities whose interest rates are indexed to LIBOR. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR, or any changes announced with respect to such reforms, may result in a sudden or prolonged increase or decrease in the reported LIBOR rates and the value of LIBOR-based loans and securities, including those of other issuers we or our affiliates currently own or may in the future own. It remains uncertain how such changes would be implemented and the effects such changes would have on us, issuers

of instruments in which we invest and financial markets generally.

The publication of SOFR began in April 2018, and, therefore, it has a very limited history. In addition, the future performance of SOFR cannot be predicted based on its limited historical performance. Future levels of SOFR may bear little or no relation to the historical actual or historical indicative data. Prior observed patterns, if any, in the behavior of market variables and their relation to SOFR, such as correlations, may change in the future. Because only limited historical data has been released by the Federal Reserve Bank of New York, such analysis inherently involves assumptions, estimates and approximations. The future performance of SOFR is impossible to predict and therefore no future performance of SOFR may be inferred from any of the historical actual or historical indicative data. Hypothetical or historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR or any SOFR-linked investments.

SOFR is a relatively new rate, and the Federal Reserve Bank of New York (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the methods by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or the averages or periods used to report SOFR. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on SOFR-linked investments, such as loans and notes, which may adversely affect the trading prices and marketability of such investments. The administrator of SOFR may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of SOFR in its sole discretion and without notice and has no obligation to consider the interests of holders of such investments in calculating, withdrawing, modifying, amending, suspending or discontinuing SOFR.

RLM's systems and processes have been updated to handle loans with reference rates other than LIBOR, but the expected discontinuation of LIBOR could still have a significant impact on RLM and Investment Vehicles. The dollar amount of any debt investments and borrowings that are linked to LIBOR with maturity dates after the anticipated discontinuation date of 2023 could be material. The transition away from LIBOR has involved significant operational efforts, including, but not limited to, amending existing loan agreements with borrowers on investments that may have not been modified with fallback language and adding effective fallback language to new agreements in the event that LIBOR is discontinued before maturity. Such efforts may continue and result in operational challenges in the future. Beyond these challenges, we anticipate there may be additional risks to our current processes and information systems during the transition away from LIBOR.

Governmental Interventions. Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the Investment Vehicle's strategies.

General Economic and Market Conditions. The success of the Investment Vehicle's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Investment Vehicle's portfolio investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the Investment Vehicle's portfolio investments. Volatility or illiquidity could impair the Master Fund's profitability or result in losses. The Investment Vehicle may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Uncertain Economic, Social and Political Environment. Terrorist acts, acts of war, global health emergencies or natural disasters may disrupt our operations, as well as the operations of the businesses in which clients invest. In February 2022, Russia invaded Ukraine, creating geopolitical instability in Europe and impacting the global financial markets. Many countries, including the United States, the United Kingdom and those in the European Union imposed sanctions against Russia as a result of such invasion. Such war between Russia and Ukraine, any expansion of such war that results in further deterioration in international relations or any further sanctions imposed on Russia, including exclusion of certain Russian banks from SWIFT, could lead to additional disruptions in financial markets and negatively affect credit markets generally. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Such acts have created, and continue to create, social, economic and political uncertainties and have contributed to global economic instability. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Additionally, a serious pandemic or a natural disaster could severely disrupt global, national and/or regional economies. No assurance can be given as to the effect of these events on the value of clients' investments. Future terrorist activities, military or security operations, global health emergencies or natural disasters could further weaken the domestic/global economies and create additional uncertainties, which may negatively impact the businesses in which RLM invests directly or indirectly and, in turn, could have a material adverse impact on our business, operating results and financial condition. Losses from terrorist attacks, health emergencies and natural disasters are generally uninsurable. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of RLM and its investments on behalf of clients to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments on behalf of clients and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon clients' investments. Many investments on behalf of clients may be susceptible to economic slowdowns or recessions and may be unable to repay our debt investments during these periods. The recent global outbreak of COVID-19 has disrupted economic markets and the prolonged economic impact is uncertain. Some economists and major investment banks have expressed concern that the continued spread of the virus globally could lead to a further world-wide economic downturn. Many manufacturers of goods in China and other countries in Asia saw a downturn in production due to the suspension of business and temporary closure of factories in an attempt to curb the spread of the illness. In the past, instability in the global capital markets has

resulted in disruptions in liquidity in the debt capital markets, significant write-offs in the financial services sector, the re-pricing of credit risk in the broadly syndicated credit market and the failure of major domestic and international financial institutions. In particular, in past periods of instability, the financial services sector was negatively impacted by significant write-offs as the value of the assets held by financial firms declined, impairing their capital positions and abilities to borrow, lend and invest. In addition, continued uncertainty surrounding the negotiation of trade deals between the United Kingdom and the European Union following the United Kingdom's exit from the European Union and uncertainty between the United States and other countries, including China, with respect to trade policies, treaties, and tariffs, among other factors, have caused disruption in the global markets. There can be no assurance that market conditions will not worsen in the future.

#### Market Disruption and Political Risk

The success of any investment activity is influenced by general economic and financial conditions that may affect the level and volatility of asset prices, liquidity, interest rates and the extent and timing of investor participation in the markets for both equity and interest-rate-sensitive securities. Volatility, illiquidity, governmental action, currency devaluation, or other events in global markets in which the Investment Vehicles directly or indirectly hold positions could impair the Investment Vehicles' ability to achieve their investment objectives and could cause the Investment Vehicles to incur substantial losses.

#### Business and Regulatory Risks

Increased regulation (whether promulgated under securities laws or any other applicable law) and regulatory oversight of and changes in law applicable to private investment funds and their managers may impose administrative burdens on the Investment Manager, including, without limitation, responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert the Investment Manager's time, attention and resources from portfolio management activities. Such regulatory inquiries are generally confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

#### Illiquidity of RLM

Interests in RLM will be offered without registration under the Securities Act, in reliance upon an exemption contained in Section 4(2) of the Securities Act and/or Regulation D under the Securities Act. There will be no public market for such interests in RLM and, for a variety of regulatory reasons, no such market will be permitted to exist.

#### Lack of Regulation of Investment Vehicles

The Investment Vehicles are generally not subject to many provisions of the federal securities and commodities laws that are designed to protect investors in pooled investment vehicles offered to the public in the United States. The interests in Investment Vehicles generally are not offered pursuant to registration statements effective under the Securities Act. In addition, the Investment Vehicles generally are not subject to the periodic information and reporting provisions of the Exchange Act, nor will those Investment Vehicles be registered as investment companies under the Investment Company Act.

#### Risk Management

RLM's risk analysis team includes professionals with technical expertise in analyzing the risks of investing in Investment Vehicles. RLM's risk analysts maintain a proprietary risk management

system that provides processes and tools designed for the complex strategies used by Investment Vehicles. No risk management process is fail-safe, and no assurances can be given that RLM's risk management process will achieve its objective. From time to time, RLM may modify or change its risk management system in its sole discretion.

#### Dependence on Key Personnel

The success of any Investment Vehicle depends in substantial part on the skill and expertise of the key members of the investment team. There can be no assurance that the key members of any investment team will continue to be engaged by RLM or its affiliates throughout the life of the Investment Vehicle. The loss of the services of one or more of officers or engaged staff could have a material adverse effect on the performance and operation of the Investment Vehicle. In the event that the services of any such personnel are lost, the Investment Vehicle may not be able to successfully recruit new personnel with the requisite skills, knowledge, relationships or experience.

#### Counterparty Risk

The Investment Vehicles are subject to the risk of the failure or default of any counterparty to the transactions of the Investment Vehicles. The institutions, including brokerage firms and banks, with which the Investment Vehicles do business, or to which securities have been entrusted for custodial purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of an Investment Vehicle. Hedging transactions, margin trading and other financial mechanisms designed to implement various trading strategies involve counterparty risk elements that may be impossible or impractical to eliminate or may create unforeseen exposures. If there is a failure or default by the counterparty to such a transaction, the contractual and other legal remedies available may be limited or inadequate. Counterparty risk may be reduced but not eliminated through the selection of financial institutions and types of transactions employed.

#### Correlation Risk

In many cases, the strategy will be based on an assumption that historical pricing correlations accurately represent future correlations. In contexts where a strategy is based on identifying apparent pricing anomalies based on historical correlations, a short- or long-term change in those correlations could adversely affect the anticipated market gain achievable from trading on the basis of the strategy.

Historical pricing patterns do not necessarily predict future relationships, particularly at times of serious market disruption or during unusual trading periods or market events. Consequently, the adoption of certain strategies will not necessarily eliminate or modulate market risk. Since many strategies assume a continuation of historical pricing patterns, any substantial deviation from those patterns can result in volatility and losses.

#### No Current Income

An Investment Vehicle's investment policies should be considered speculative, as there can be no assurance that RLM's assessments of the short-term or long-term prospects of investments in the Investment Vehicles will generate a profit. In view of the fact that there may be no assurance that the Investment Vehicles will make distributions, and the fact that any such distributions may be infrequent, an investment in the Investment Vehicles is not suitable for investors seeking current income for financial or tax planning purposes.

#### No Manager Liability Beyond Investment Assets

Subject to RLM's fiduciary responsibility to investors when serving in its capacity as Collateral Manager to securitized asset vehicles, RLM shall have no personal liability to an investor for the return of any investment in such Investment Vehicle, it being understood that any such return shall be made solely from such Investment Vehicle's assets.

#### Indemnification; Return of Redemptions and Distributions.

RLM and other persons retained by an Investment Vehicle are entitled to indemnification and/or exculpation for liability and losses incurred or arising out of their performance of services, except under certain circumstances, from the respective Investment Vehicle as set forth in more detail in the respective collateral management agreements. An Investment Vehicle may also enter into indemnification arrangements and other arrangements that impose limitations on liability with its service providers and other parties.

#### Early Termination

In the event of the early termination of an Investment Vehicle, it is possible that, at the time of such sale or distribution, certain securities held by the Investment Vehicle would be worth less than the initial cost or previously reported value of such securities, resulting in a loss to investors.

#### Defaulting Investors in RLM; Exclusion from Investments

Upon the failure of an investor in RLM to fund required capital contributions, such investor will be in default. The amount of such default will accrue interest. In addition, a number of remedies may be exercised against such investor including (i) causing the defaulting investor to forfeit a portion of future distributions made by RLM and (ii) causing the defaulting investor to be excluded from participating in future investments. In addition, the defaulting investor may have no rights to make capital contributions to RLM.

If investors fail to fund significant subscription obligations or to make required capital contributions when due, such failure could limit RLM's opportunities for investment diversification and could adversely affect returns as well as RLM's ability to implement its investment strategy or otherwise continue operations. The board of directors of RLM will have the right in its discretion to take certain actions in order to cover shortfalls arising from the default of the investor or the exclusion or excuse of the investor as the board of directors deem appropriate under the circumstances. The board of directors may, for example, (i) require an increase in the capital contributions of all other investors or (ii) obtain the agreement of another investor or a third party to cover all or a portion of the shortfall. If the board of directors elects to have the other investors cover the shortfall, such investors will have an increased share in such investments in proportion to their respective capital commitments, and accordingly in the risks associated with such investments.

An investor may be excluded or excused from participating in any portfolio investment if the board of directors determines in its discretion that such participation might otherwise have certain materially adverse effects on an investment, RLM, other investors or any of their respective affiliates, including if such participation would be likely to result in violations of law or the imposition of a material regulatory or legal burden, or as a result of certain circumstances relating to such investor.

### Involuntary Sale of Interest

Each Investment Vehicle may cause an investor to sell its interest if it determines that the continued participation of such investor would have a material adverse effect on the Investment Vehicle, any other investor or any of their respective affiliates.

### Tax Risks

Tax consequences to investors from an investment in an Investment Vehicle are complex. There may be changes in tax laws or interpretations of such tax laws adverse to the Investment Vehicle or its investors. There can be no assurance that the structure of an Investment Vehicle or of any investment will be tax-efficient to any particular investor. Prospective investors are strongly urged to consult their own tax advisers with reference to their specific tax situations, including any applicable U.S. state or local or non-U.S. taxes and, in the case of U.S. tax exempt and non-U.S. investors, with reference to any special issues that investment in an Investment Vehicle may raise for such investors. For example, there can be no assurance that an Investment Vehicle will have sufficient cash flow to permit it to make annual distributions in the amount necessary to pay tax liabilities resulting from investors' ownership of interests in such Investment Vehicle.

### Political Risks and Catastrophic Events

Depending on the country in which an investment is located, there may exist the risk of adverse political developments, including nationalization, confiscation without fair compensation or war. Portfolio investments may also be subject to catastrophic events and other force majeure events, such as fires, earthquakes, adverse weather conditions, changes in law, eminent domain, riots, terrorist attacks and similar risks. These events could result in the partial or total loss of a portfolio investment or significant down time resulting in lost revenues, among other potentially detrimental effects.

### Substantial Fees and Expenses

The Investment Vehicles are required to meet certain fixed costs, including organizational and offering expenses, investment-related expenses, and ongoing administrative and operating expenses (such as fees payable to the service providers). These fees and expenses may be substantial and are payable regardless of whether any profits are realized by the Investment Vehicles.

### Business Continuity and Disaster Recovery.

RLM's, the clients' and their portfolio companies' business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), terrorist attacks or other circumstances resulting in property damage, network interruption and / or prolonged power outages. Although RLM has implemented various measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. If such business operations are disrupted or suspended for extended periods of time, the Clients may be adversely affected.

### Cyber Security Breaches and Identity Theft

RLM's, the clients' and their portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, other security breaches and / or usage errors by their respective professionals. Although RLM has implemented various measures



to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, RLM, a client and / or portfolio company may have to make a significant investment to fix or replace them. The failure of these systems for any reason could cause significant interruptions in RLM's, such client's and / or such portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm RLM's, such client's and / or such portfolio company's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

#### Viral/Global Pandemic Risk.

In general, unexpected local, regional or global events, such as the spread of infectious illnesses or other public health issues and their aftermaths, could have a significant adverse impact on an Investment Vehicle's operations (including the ability of the Investment Vehicle to find and execute suitable investments) and therefore the Investment Vehicle's potential returns. In addition, such infectious illness outbreaks, as well as any restrictive measures implemented to control such outbreaks, could adversely affect the economies of many nations or the entire global economy, the financial condition of individual issuers, companies and capital markets in ways that cannot necessarily be foreseen, and such impact could be significant and long term. Moreover, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems.

For example, an outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 was first detected in China in December 2019 and later detected globally, causing the World Health Organization to declare it a pandemic. This coronavirus caused global distress and market volatility and uncertainty, and it resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations of services, supply chain disruptions and disruptions or suspensions of business activities across a wide range of industries and lower consumer demand.

Public health crises caused by COVID-19 or other outbreaks will, from time to time, also exacerbate other pre-existing political, social and economic risks in certain countries, regions or globally. It is not possible to determine the duration and severity of any potential adverse impact of the COVID-19 outbreak or any other public health issue on the Fund, its investments or more broadly upon the global economy.

Natural Disaster; Public Health Emergencies. Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis and other severe weather-related phenomena, generally, have been, and can be, highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of clients' investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries, including the United States.

Inflation/Deflation Risk. To the extent any strategy may be intended to provide a measure of protection against inflation, it is possible it will not do so to the extent intended and, during periods of deflation, the related investments may be adversely affected to a greater extent than other investments. Moreover, client accounts may be subject to the risk that the value of investments or income from investments will be lower in the future as inflation decreases the value of money. As inflation increases, the value of the investments in a client's account can decline.

Any of the foregoing disruptions could prevent RLM from executing advantageous investment decisions in a timely manner and negatively impact RLM's ability to achieve clients' investment objectives. Any such event(s) could have a significant adverse impact on the value and risk profile of investments with RLM.

**The foregoing list of risk factors is not a complete explanation of the risks involved in an investment in an Investment Vehicle.**

#### **Item 9 Disciplinary Information**

To the best of our knowledge, currently there are no legal or disciplinary events to disclose that may be material for a client or prospective client.

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

RLM may share resources, other employees and management, as well as investment ideas and opportunities, with any or all affiliates engaged in similar activities.

Napier Park is also under common control with FEAC, and First Eagle Separate Account Management LLC ("FESAM"), each an SEC-registered investment adviser through their direct and indirect common ownership by FEIM. FEAC is an investment manager for both direct lending and broadly syndicated investments, through public and private vehicles, collateralized loan obligations, separately managed accounts and commingled fund and FESAM acts as an investment adviser to retail separately managed accounts or "wrap" business.

Policies and procedures were adopted by FEIM, FEAC, FESAM, Napier Park and RLM, including information barriers policies (as described below), to mitigate potential conflicts of interest and to comply with applicable law with respect to their interactions between Napier Park and RLM on the one hand, and FEIM, FESAM and FEAC on the other. Such policies and procedures could result in fewer investment opportunities for RLM clients and could result in RLM taking into account certain considerations and other factors in connection with the management of its business and the affairs of its clients that would not necessarily be taken into account if FEAC, FEIM and FESAM were not affiliates of RLM. RLM and FEAC will also compete for investments, and RLM clients and FEAC clients are from time to time expected to enter into transactions with one another, subject to any restrictions set forth in the client Agreements or governing documents of their respective advisory clients and applicable law. In addition, clients of RLM will from time to time make primary investments and possibly acquire secondary investments in FEAC clients, including in CLOs sponsored by FEAC. RLM clients will pay fees (including advisory fees), expenses and, if applicable, performance-based compensation to FEAC (and while not expected, clients of FEAC (or investors in such clients) could from time to time enter into similar investment

relationships with RLM, including becoming clients thereof, and pay fees and expenses in connection therewith). Investments by RLM's clients may not be considered investments by an FEAC affiliate under a relevant client's client agreement or RLM client governing documents and therefore may not be subject to restrictions that would otherwise be imposed on investments in a client by FEAC or certain of its affiliates. RLM and its clients are expected to receive customary information (including any investor reports) provided to FEAC clients related to their investment in such client. Subject to applicable law and client Agreements, RLM and FEAC may also from time to time introduce one another to existing or prospective investors or engage in joint fundraising activities. RLM and FEAC could face conflicts of interest, including having a conflicting division of loyalties and responsibilities, in the aforementioned situations. While RLM and FEAC are expected to adopt policies and procedures reasonably designed to address such conflicts of interest, there can be no assurance that any such policies and/or procedures will be effective in accomplishing their stated purpose and/or that they will not otherwise adversely affect the ability of the clients to effectively achieve their investment objectives.

Certain other employees have interests in or are affiliated with other investment advisers, broker dealers or financial services firms. Certain directors of FE Holdings have industry affiliations with other financial firms, including firms affiliated with Blackstone and/or Corsair; and certain FE Holdings non-employee directors may serve as directors of broker-dealer firms or as principals of investment adviser firms that may do business with FEIM and its clients.

From time to time, various potential and actual conflicts of interest arise from the overall advisory, investment and other activities of Blackstone, Corsair, FEAC, their affiliates and personnel. The following briefly summarizes some of these conflicts but is not intended to be an exhaustive list of all such conflicts. Certain of these potential or actual conflicts exist notwithstanding that neither Blackstone, Corsair nor their affiliates may technically be a management person or an affiliated person of RLM.

### **Information Barriers and Blackstone/Corsair**

By virtue of their respective ownership interests in Napier Park, Blackstone and Corsair will have access to information that Napier Park and RLM's clients, including investors in clients, will not have. Blackstone and Corsair will be entitled to receive information regarding Napier Park and RLM and its activities, including, without limitation, information about clients (together with information about clients' portfolios, subscriptions, withdrawals and other information relating to clients), as well as confidential, proprietary information about Napier Park and RLM.

Applicable agreements with clients and/or law or regulation restrict the ability of Napier Park to buy or sell, on behalf of clients, portfolio companies of funds managed by Napier Park or its affiliates, which may also include issuers related to Blackstone or Corsair. For example, the 1940 Act prohibits certain clients from making "joint" transactions with certain of RLM affiliates or affiliated funds, which could restrict such clients from making investments in the same portfolio companies as such affiliates or affiliated funds (whether at the same or different times). In addition, ERISA may also limit transactions by certain clients in affiliated funds and/or portfolio companies of affiliates. As a result of these policies and restrictions, Napier Park may be limited or prohibited from certain purchases and sales on behalf of clients of securities or other

instruments issued by portfolio companies of funds managed by Napier Park or its affiliates, including issuers related to Blackstone and Corsair. These limitations may narrow the scope of investment opportunities that would otherwise be available for certain clients.

Notwithstanding the maintenance of restricted lists and other internal controls, it is possible that a breach of policies and procedures could occur which breach could result in the potential misuse of material non-public information. This potential misuse of material, non-public information could have adverse effects on the reputations of Napier Park, RLM, FEIM and FEAC, potentially resulting in the imposition of regulatory or financial sanctions and, as a consequence, negatively impacting each of RLM, FEIM and FEAC's ability to perform investment management services on behalf of its respective clients.

### **Information Barriers and FEIM and FEAC**

Napier Park, a subsidiary of FEIM, operates autonomously from FEIM and FEAC. However, Napier Park and its personnel have certain interactions with FEIM and FEAC and their respective personnel. In addition, Napier Park, RLM and FEIM have determined that certain positions in investments are expected to be held in the portfolio holdings of both FEAC and Napier Park and RLM's respective advisory clients from time to time.

Napier Park, RLM, FEAC and FEIM have determined it appropriate to implement an information barrier. The information barrier is reasonably designed to restrict communications as between FEAC, FESAM and FEIM, on one hand, and Napier Park and RLM, on the other, so that (i) FEAC and FEIM, on one hand, and Napier Park and RLM, on the other, may continue to receive confidential information in the course of their respective business activities, without restricting the other's respective trading and investment. Each of FEIM, FEAC, FESAM, RLM's employees has been instructed as to their responsibilities regarding discussing investment activities with employees on the other side of the information barrier. Legal and compliance personnel monitor the information barrier and manage any communications between FEAC, FEIM, FESAM, and RLM related to potential conflicts and receipt of confidential information across the information barrier, including material, non-public information ("MNPI").

Policies and procedures, including the information barrier policies described above, were adopted by FEIM, FESAM, FEAC and Napier Park and RLM respectively to mitigate potential conflicts, comply with applicable law and to address certain regulatory requirements and contractual restrictions. Notwithstanding such policies and procedures and other internal controls, it is possible that a breach of the information barrier policies and procedures could occur and that such a breach could result in the potential misuse of material non-public information. This could result in reduced investment opportunity for RML's clients in that limitations on interactions with FEIM, FESAM and FEAC, could reduce potential synergies that RLM and its clients might otherwise be able to realize through additional involvement with FEIM, FESAM and FEAC. Furthermore, such a potential misuse of MNPI could have adverse effects on the reputations of RLM, and FEIM, FESAM and/or FEAC, respectively, potentially resulting in the imposition of regulatory or financial sanctions and, as a consequence, negatively impacting each of Napier Park, RLM's and FEAC's ability to perform investment management services on behalf of its respective advisory

clients. Napier Park and RLM maintains a restricted list of companies and may from time to time be restricted due to its common ownership or interactions with FEAC and such restriction would prohibit Napier Park and RLM from buying or selling securities on the restricted list until the restriction is lifted, which could disadvantage Napier Park and RLM clients (and vice versa).

RLM, , FEIM, FESAM and FEAC may from time to time serve on committees with respect to investments, including lender or creditor committees potentially creating conflicts for clients who may be disadvantaged to the extent FEIM, FEASM and/or FEAC are invested in different securities of the same issuer. . In addition, certain clients of RLM invest in clients of FEAC and it is possible that, in the future, FEAC clients may invest in or become clients of RLM. While RLM, FEIM, FESAM and FEAC will adopt policies and procedures, including information barrier policies and procedures, to mitigate potential conflicts and reduce the risk that RLM would face restrictions under these circumstances with respect to its being under common ownership with FEAC, the participation of RLM in any such activities could potentially limit or preclude the flexibility that RLM's clients (or FEAC's clients) may otherwise have with respect to certain investments. The inability to transact in any security, derivative or loan held by a fund or account could result in significant losses to a client. In addition, FEIM, FESAM or FEAC may take actions with respect to an investment or an issuer of an investment also held by RLM clients that have a material adverse effect on the value of such investment.

## **Other Affiliations**

Additionally, RLM is affiliated with FEF Distributors, a limited purpose broker dealer. Certain employees of Napier Park are also associated persons of FEF Distributors and are required to abide by the policies of FEF Distributors.

RLM or its affiliates, from time to time, act as the general partner or managing member of private funds. As such, RLM, or its controlled affiliates, will have the ability to control the management and operation of these private funds. If applicable hurdles are achieved, RLM will receive the fees described above in Items 5 and 6.

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

### Code of Ethics

RLM has adopted a Code of Ethics that memorializes its fundamental duties as a fiduciary and are intended to comply with the requirements of Rules 204A-1 under the Advisers Act. The Code of Ethics includes standards of business conduct and incorporates a personal investments policy. Each employee [and each supervised person] receives a copy of the Code of Ethics upon hiring

and annually thereafter and must provide an attestation that such employee or supervised person has read and understood such Code of Ethics.

RLM's Code of Ethics requires each employee and supervised person to prioritize the interests of the client, to avoid conflicts of interest, to never abuse such employee's position of trust and responsibility and to comply with all federal securities laws. Employees and supervised persons are required to safeguard material non-public information in such employee's [and supervised person's] possession and are prohibited from using such information to such employee's personal benefit. Each employee [and supervised person] must treat information belonging to clients as confidential and take care to protect such information from unauthorized access by third parties.

To avoid any potential conflict of interest involving personal transactions, RLM requires each employee and supervised person to notify compliance upon opening a personal account, to pre-clear certain personal transactions and disclose all potential conflicts of interest with regard to such a personal transaction before engaging in the transaction. Employees and supervised persons are also subject to a restricted list and blackout periods. In addition, access persons (defined as employees and supervised persons with access to non-public information regarding RLM's purchase or sale of securities and directors, officers and partners) will (i) upon starting employment or upon the commencement of providing services to RLM, provide a complete record of his or her securities holdings to compliance and annually thereafter (ii) must arrange to have duplicate confirmations sent to compliance unless such information has been provided through other measures. All employees and supervised persons are required to inform compliance of any violation of the Code of Ethics that comes to his or her notice.

A copy of RLM's Code of Ethics will be provided to any client or prospective client upon request.

#### Trading Practices

*Participation and Interest in Client Transactions.* RLM has implemented policies and procedures that address affiliated transactions. Therefore, from time to time, RLM or its affiliates may effect a securities transaction between one or more Investment Vehicles. In such case, one Investment Vehicle will purchase securities held by another Investment Vehicle. RLM effects these transactions only (i) when it deems the transaction to be in the best interests of both client accounts and (ii) at a price that RLM has determined by reference to independent market indicators, which RLM believes to constitute "best execution" for both accounts. Neither RLM nor its affiliates will receive any compensation, directly or indirectly, for arranging such a transaction.

An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the Client and for another person on the other side of the transaction. Agency cross transactions arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. RLM's affiliate, FEF Distributors, is a limited purpose broker-dealer engaged in the distribution of investment products sponsored by FEIM and its affiliates, including RLM.

To the extent that RLM or its affiliates engage in principal agency, agency cross transactions or cross trades, such transactions will be consummated in accordance with Section 206(3) of the Advisers Act and, as applicable, Rule 206(3)-2 promulgated thereunder.

*Aggregation of Transactions.* If a portfolio manager believes that the purchase or sale of a security is in the best interests of more than one client, the portfolio manager may, but is not obligated to, aggregate the securities to be sold or purchased, to the extent permitted by applicable law and regulations. In such event, the transactions, as well as the expenses incurred in such transactions, will be allocated by the portfolio manager consistent with fiduciary duties to ensure that all clients are treated fairly. The portion of an aggregated order to be allocated to each client's account will be specified contemporaneously with the execution of the trade.

#### Interest in Client Transactions

RLM recommends securities in which it and/or certain of its affiliates directly or indirectly have a financial interest. Certain RLM affiliates also may buy and sell securities that RLM recommends to advisory clients for purchase and sale. RLM may (and has on occasion) give advice and take action in the performance of its duties to clients which differs from the advice given, or the timing and nature of action taken, with respect to the accounts of its affiliates and/or the accounts of other clients.

In certain instances, affiliates of RLM have acquired investments in an issuer on a side-by-side basis with an Investment Vehicle managed by RLM. Such investments may provide the vehicle with access to investments that it could not otherwise have obtained. This practice may give rise to potential conflicts of interest. RLM and its affiliates seek to fairly and equitably allocate, based on the particular facts and circumstances, investment opportunities between or among funds and its affiliates and other investment accounts. Please see Item 12 "Brokerage Practices", - Allocation of Investment Opportunities for more details.

Temporary investments in which an account's assets may be invested include instruments issued, or funds managed by, an affiliate of RLM, in which case such affiliate will receive fees or other compensation in connection with such investment. Such fees will be in addition to the advisory fees and other compensation paid to RLM.

#### Inside Information

In addition, RLM has adopted procedures to guard against insider trading. In the event that RLM obtains material, non-public information about an issuer, it is generally prohibited from trading the issuer's securities until the information becomes public or is no longer material. RLM's investment flexibility may be constrained as a consequence of RLM's inability to use such information for investment purposes. An information barrier and other policies and procedures are expected to be established between FEAC and FEIM, on one hand, and Napier Park and RLM, on the other. While such policies and procedures will be designed to address conflicts of interest, there can be no assurance that any such policies and/or procedures will be effective in accomplishing their stated purpose and/or that they will not otherwise adversely affect the ability of the Clients (or clients of Napier Park and RLM) to effectively achieve their investment objectives.

### ***Legal & Regulatory Limitations***

Applicable agreements with clients and/or law or regulation restrict the ability of RLM to buy or sell, on behalf of clients, portfolio companies of funds managed by RLM or its affiliates, including funds managed by FEIM and FEAC. For example, the 1940 Act prohibits certain clients from making “joint” transactions with certain of RLM affiliates or affiliated funds, which could restrict such clients from making investments in the same portfolio companies as such affiliates or affiliated funds (whether at the same or different times). In addition, ERISA may also limit transactions by certain clients in affiliated funds and/or portfolio companies of affiliates. As a result of these policies and restrictions, RLM may be limited or prohibited from certain purchases and sales on behalf of clients of securities or other instruments issued by portfolio companies of funds managed by RLM or its affiliates, including funds managed by FEIM and FEAC (as well as Blackstone and Corsair, as discussed above). These limitations may narrow the scope of investment opportunities that would otherwise be available for clients.

### ***Competition for Investment Opportunities***

As certain of both RLM and FEAC’s strategies seek to invest in broadly syndicated loans, they compete for opportunities to make such loans, potentially resulting in fewer investment opportunities for RLM.

### ***Relationships with Investors***

Certain clients of RLM are investors in FEAC clients and are expected to receive customary information in connection with their investments in such clients.

### **Other Conflicts of Interest**

RLM or any of its respective affiliates or directors may (and do) have an interest in an Investment Vehicle or in any transaction effected with or for it, or a relationship of any description with any other person, which may involve a potential conflict with their duties to an Investment Vehicle, and none of them will be liable to account for any profit or remuneration derived from doing so. If RLM has, or may have, in relation to a proposed transaction for an Investment Vehicle, a material interest or a relationship that gives or may give rise to a conflict of interest, RLM will not knowingly advise, or deal in the exercise of discretion in relation to that transaction, unless it takes reasonable steps to ensure fair treatment for the Investment Vehicle.

For example, such potential conflicts may arise and have arisen on occasion because:

- (a) RLM or its affiliates undertake business for other clients;
- (a) a director or employee of RLM or its affiliates is a director of, holds or deals in securities of, or is otherwise interested in, any company the securities of which are held by or dealt in on behalf of an Investment Vehicle;
- (b) the transaction relates to an investment in respect of which RLM or one of its affiliates may benefit from a commission, fee, mark-up or mark-down payable otherwise than by the Investment Vehicle;



- (c) RLM or one of its affiliates may act as agent for an Investment Vehicle in relation to transactions in which it is also acting as agent for the account of other clients of RLM or its affiliates; or
- (d) a transaction of an Investment Vehicle may be in units or shares of a collective investment scheme or any company in relation to which RLM or one of its affiliates is the manager, operator, adviser or trustee.

Affiliates of RLM engage in a broad spectrum of activities, including financial advisory activities, and managing private investment funds, and other activities, and may from time to time present potential conflicts of interest with, RLM's clients. Many of these potential conflicts of interest arise in connection with other investment management activities of RLM affiliates. In these cases, these relationships or proprietary investment activities may result in an Investment Vehicle not being permitted to pursue certain investment opportunities. Accordingly, no assurances can be given that all potentially suitable investment opportunities will be offered to any given Investment Vehicle.

RLM affiliates provide services to, invest in, advise, sponsor and/or act as investment manager to investment vehicles and other persons or entities (including prospective investors in the Investment Vehicles which may have similar structures and investment objectives and policies to those of an Investment Vehicle, and which may compete with an Investment Vehicle for investment opportunities and which may co-invest with an Investment Vehicle), in certain transactions. In addition, RLM affiliates and their respective clients may themselves invest in securities that would be appropriate for an Investment Vehicle and may compete with the Investment Vehicle for investment opportunities.

Generally speaking, the officers and supervised persons of RLM and affiliates of RLM which provide services to RLM will devote such time as the general partners of their various Investment Vehicles deem necessary to carry out the operations of the Investment Vehicle. However, officers and supervised persons of RLM or affiliates of RLM providing services to RLM are not necessarily required to devote full time to a given Investment Vehicle's business and they may have conflicts of interest in allocating their time between such Investment Vehicle and other related or unrelated activities.

It is also possible that RLM professionals will be permitted to co-invest in certain investment opportunities in which a given client Investment Vehicle invests as a further incentive and means of aligning such professionals' interests with the interests of the Investment Vehicle's investors.

Investors in RLM's various Investment Vehicles are expected to include entities and persons located in various jurisdictions, who may have conflicting investment, tax and other interests with respect to their various Investment Vehicle investments. As a result, conflicts of interest may arise in connection with decisions made by RLM or its affiliates that may be more beneficial for one type of investor than another type of investor. RLM will follow the investment objective and standards for resolving such conflicts set forth in each of the Investment Vehicle's governing documents—e.g., by focusing on the pre-tax investment objectives of a as a whole.

Affiliates of RLM providing services to RLM may sponsor CLOs, or trade in the securities and derivatives markets for their own accounts and the accounts of their clients, and in doing so may take positions opposite to, ahead of, or in competition with the investment opportunities pursued or held by RLM. Such activity may result in competition for opportunities or create other conflicts of interest on behalf of one or more such persons in respect of their obligations to RLM. Records of any such activity by the Staff and Services Provider, the Structuring and Advisory Services Provider or their affiliates will not be available for inspection by investors in RLM.

#### Procedures for Resolving Conflicts of Interest

On any issues involving actual conflicts of interest, RLM will be guided by its legal obligations, including but not limited to the contractual requirements governing such situation, as well as its good faith judgment as to a client's best interests. RLM may refer the matter to a committee designed to monitor fiduciary relationships. Subject to the applicable investment management agreement and other governing documents, RLM may take such actions as it may deem necessary or appropriate to ameliorate the conflict.

### **Item 12 Brokerage Practices**

#### Brokerage Discretion

RLM generally is not limited in its authority to select broker-dealers for trade execution.

In selecting an unaffiliated broker-dealer for trade execution, RLM uses its best judgment to select a broker-dealer that provides prompt and reliable execution at favorable securities prices and reasonable commission rates. Ordinarily, the best net price, giving effect to brokerage commissions and other costs, is the determining factor, but a number of other factors also may enter into the decision. These factors may include: the nature of the security being traded; the size and complexity of the transaction; the desired timing of the transaction; the existing and expected activity in the market for particular securities; confidentiality; and the execution, clearance, and settlement capabilities and financial condition and other relevant and appropriate services of the broker-dealer.

RLM may choose to participate in seminars or conferences, or other types of capital introduction service programs (collectively referred to as "Cap Intro Programs") held by affiliated and/or non-affiliated prime brokers for their current or prospective clients that are hedge fund or investment managers that manage funds or other types of investment vehicles or who are otherwise eligible to invest in RLM products. RLM may have an incentive to select or recommend a broker-dealer based on its interests in receiving client referrals or invitations to participate in such Cap Intro Programs.

#### Research and Other Soft Dollar Arrangements

RLM does not utilize client's agency commission dollars to purchase research and other services i.e. soft dollars.

#### Allocation of Investment Opportunities

Affiliates of RLM and other proprietary investment accounts managed by RLM may co-invest with a client advised by RLM on a side-by-side basis from time to time. Clients may, from time

to time, compete with such other investors for access to potential investments. RLM and its affiliates will seek to fairly and equitably allocate, based on the particular facts and circumstances, such investment opportunities between or among the funds and its affiliates and other proprietary investment accounts. However, such allocation will not necessarily be made pro rata based on available assets. There can be no assurance that a particular investment opportunity which comes to the attention of RLM's affiliates will be referred to RLM and the Investment Vehicles it manages. RLM is not obligated to refer any specific investment opportunity to a client.

In the event that two or more RLM clients or portfolios managed by RLM officers through affiliates (including proprietary portfolios) have cash available for investment at the same time and an investment opportunity arises that may be appropriate for each client and the affiliated portfolio but whose availability to RLM and its affiliates is limited, RLM and its affiliates will seek to fairly and equitably allocate such investment opportunity between or among such Investment Vehicles and/or Managed Accounts, taking into account such factors including but not limited to each Investment Vehicle's investment objective, industry and sector focuses, size and available cash.

#### Aggregation of Transactions

If a portfolio manager believes that the purchase or sale of a security is in the best interests of more than one client, the portfolio manager may, but is not obligated to, aggregate the securities to be sold or purchased, to the extent permitted by applicable law and regulations. In such event, the transactions, as well as the expenses incurred in such transactions, will be allocated by the portfolio manager consistent with fiduciary duties to ensure that all clients are treated fairly. The portion of an aggregated order to be allocated to each client's account will be specified contemporaneously with the execution of the trade.

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

#### ***Review of Accounts***

Fiduciary committees consisting of senior RLM professionals including legal, risk and compliance meet quarterly to review client accounts, Investment Vehicle performance and any significant events.

Additionally, RLM will hold monthly Investment Committee meetings monthly to review RLM and Investment Vehicle accounts, investments and performance.

#### ***Client Reports***

RLM will report RLM performance on at least a quarterly basis. Investors in Investment Vehicles for which RLM serves as Collateral Manager will receive monthly trustee reports.

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

RLM does not receive any economic benefits from non-clients for providing investment advice or other advisory services to clients.

RLM may enter into agreements with its engaged staff, and has entered into agreements with third parties to solicit clients for RLM's investment advisory services. Under such agreements, persons may refer or solicit clients and receive compensation for such services. The structure of any agreement with a third party, including the compensation payable to the solicitor, will be disclosed fully to the client in accordance with Rule 206(4)-3 of the Investment Advisers Act. Different solicitors, including affiliates, may receive varying amounts of compensation for their services. Furthermore, FEIM has adopted incentive plans and enters into agreements from time-to-time that provide for cash payments to its employees and employees of its subsidiaries who develop and refer new business which do not apply to Napier Park employees. Such plans or agreements include those with certain directors of FE Holdings, or their affiliates, who have industry affiliations with other financial firms, including firms affiliated with Blackstone and/or Corsair. There are also FE Holdings non-employee directors who serve as directors of broker-dealers or as principals of investment adviser firms which do business with RLM and its clients.

In addition, RLM and its engaged staff, as a matter of policy and practice, are prohibited from providing or agreeing to provide, directly, or indirectly, payment, consideration or any other item of value to any person unaffiliated with RLM to solicit a U.S. government entity for investment advisory services on RLM's behalf unless such person is a U.S. registered broker dealer and/or U.S. registered investment adviser. Any arrangement which may involve the solicitation of government entities must be in writing and shall contain provisions reasonably designed to ensure compliance with all applicable laws and rules by such person in connection with any solicitation of any governmental entities.

RLM also may also refer clients to its affiliates.

#### **Item 15      Custody**

RLM does not provide custodial services to its clients and is deemed not to have custody of client assets.

Under Rules 206(4)-2 under the Advisers Act ("the Custody Rule"), "custody" is broadly defined to also include holding indirectly funds or securities, or having any authority to obtain possession of them. In particular, RLM is considered to have custody with respect to RLM to the extent RLM or an affiliate serves in a capacity that gives it legal ownership of or access to RLM's fund or securities (such as the general partner of a limited partnership, managing member of a limited liability company or a comparable position for another type of pooled investment vehicle). RLM is also considered to have custody with respect to certain RLM Funds if RLM is authorized to withdraw client funds or securities maintained with a third-party custodian upon RLM's instruction to the third-party custodian.

RLM will cause Investment Vehicles and any related special purpose vehicles to maintain its funds and securities with a qualified custodian, which includes a U.S. bank, an SEC-registered broker-dealer, a CFTC-registered futures commission merchant, and a foreign financial institution that segregates client assets.

In accordance with the Custody Rule, RLM complies with rule 206(4)-2 under the Adviser's Act by using the exemption for the annual audit of RLM financial statements and the delivery of such financial statements to RLM clients. RLM is required to be audited at least annually and to provide audited financial statements to its investors within 120 days after the end of its fiscal year.

To the extent that RLM does not have custody of Investment Vehicle assets, the applicable custodian will prepare and distribute to clients quarterly, or more frequently, account statements, which should be reviewed carefully by the client.

Information about an Investment Vehicles' qualified custodian, if any, including such qualified custodian's name address and the manner in which the Investment Vehicles' assets are maintained, may be provided in the relevant organizational and/or organizational documents of such Client. RLM will promptly notify investors of any relevant changes to the qualified custodian,

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

RLM has the authority to determine, without obtaining specific client consent, the investments and temporary investments an Investment Vehicle will acquire, subject in each case to the limitations and restrictions described in the Investment Vehicles' offering materials and governing documents (in the case of the Investment Vehicles) and the investment advisory agreements.

#### **Item 17 Voting Client Securities**

RLM has been delegated the authority to vote investment proxies on behalf of certain of its clients and has adopted written policies that are reasonably designed to ensure proxies are voted in the best interest of its clients and to resolve conflicts of interest (the "Policies"). The general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any, in a manner that serves the best interests of client accounts, as determined by RLM in its discretion. Clients may request a copy of the Policies and the proxy voting record relating to their account by contacting RLM.

#### **Item 18 Financial Information**

All client fees owed to RLM are either paid in arrears or paid less than six months in advance. Under relevant SEC rules, this means that RLM is not required to disclose information about its financial position or balance sheets. Nonetheless, we confirm that we believe that RLM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding.

## PRIVACY NOTICE

Your privacy is very important to us. This notice (this "**Privacy Notice**") is provided by Regatta Loan Management, LLC and its affiliates (collectively referred to herein as the "**Investment Manager**", "**we**", "**us**" or "**our**"), and sets forth the policies of the Investment Manager for the collection, use, storage, sharing, disclosure (collectively, "**processing**") and protection of personal data and personal information (collectively referred to herein as "**Personal Information**") relating to current, prospective and former investors, as applicable. This Privacy Notice is being provided in accordance with the requirements of data privacy laws, including the EU General Data Protection Regulation 2016/679 ("**GDPR**"), the California Consumer Privacy Act ("**CCPA**"), the US Gramm-Leach-Bliley Act of 1999, as amended, or any other law relating to privacy or the processing of personal data and any statutory instrument, order, rule or regulation implemented thereunder, each as applicable to the Investment Manager and the Funds (collectively, "**Data Protection Law**"). References to "you" or an "investor" in this Privacy Notice mean any investor who is an individual, or any individual connected with an investor who is a legal person (each such individual, a "**data subject**"), as applicable. For the purposes of EEA and UK data protection laws, we are the controller of your Personal Information.

Please read this Privacy Notice carefully because it provides important information and explains your rights. Please visit this website from time to time, as we may update our notice for changes in the law or our data practices. If you have any questions or concerns, or wish to exercise your privacy rights, we invite you to contact us by any of the methods listed at the end of this Privacy Notice.

### Notice Last Updated: March 29, 2023

#### Who are we?

We are a global alternative credit platform offering a broad range of investment products to select institutional investors. This Privacy Notice explains how we use the Personal Information we hold on prospective, current, or former investors, and the rights you may have in relation to that Personal Information.

We may use your information jointly with our affiliated operating companies worldwide.

#### What does this Privacy Notice cover?

We take your privacy seriously. This notice:

- sets out the types of Personal Information that we collect about you;
- explains from where we collect Personal Information about you;
- explains how and why we collect and use your Personal Information;
- explains when, why and with whom we will share your Personal Information;
- explains the different rights and choices you have when it comes to your Personal Information; and
- explains how you can contact us.

#### What Personal Information have we collected in the past 12 months?

It is routine for us to collect, process and store Personal Information about you over the course of your relationship with us.

Personal Information means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. It does not include identified or aggregate information.

The following chart describes the categories of Personal Information we may have collected about you in the past 12 months and, for each category, where and why we collected it, and the categories of entities with which we shared or sold the Personal Information, if any. We do not and will not sell your Personal Information to third parties.

Category of Personal Information (PI)	Sources from which PI was collected	Purpose of collection	Categories of entities with whom PI was shared
Address and other identifiers – such as name, postal address, email address, signature, nationality, citizenship, domicile, tax identification number, date and place of birth, birth certificate, passport details, driver's license, job title, job role, and copies of identification documents or other similar identifiers	<p>Directly from you or from another person on your behalf.</p> <p>Recording and monitoring of telephone conversations and electronic communications with you.</p>	<p>Administering the relationship between you and us (including communications reporting, processing transactions and resolving any complaints or disputes you are involved in).</p> <p>Complying with applicable legal or regulatory requirements (including anti-money laundering, know-your-client, fraud prevention, tax reporting, sanctions compliance, or responding to requests for information from supervisory authorities with competent jurisdiction over our business).</p> <p>Direct marketing of our products and services.</p> <p>Monitoring and analysing our activities.</p> <p>Business management and planning, including accounting and auditing.</p>	<p>Affiliates (i.e., financial and non-financial companies related to us by common ownership or control)</p> <p>Non-affiliates (i.e., financial or non-financial companies not related to us by common ownership or control) where you may direct us to share your information, or you otherwise intentionally interact with.</p> <p>Third party service providers.</p> <p>Government authorities or other entities with legal authority to receive the data</p>
Financial information – such as bank account details, information about assets or net worth, credit history, source of funds details or sensitive information	<p>Directly from you or from another person on your behalf.</p> <p>Information that we obtain in relation to any transactions between you and us.</p> <p>Recording and monitoring of telephone conversations and electronic communications with you.</p>	<p>Administering the relationship between you and us (including communications, reporting, processing transactions and resolving any complaints or disputes you are involved in).</p> <p>Complying with applicable legal or regulatory requirements (including anti-money laundering, fraud prevention, tax reporting, sanctions compliance, or responding to requests for</p>	<p>Affiliates (i.e., financial and non-financial companies related to us by common ownership or control) or non-affiliates (i.e., financial or non-financial companies not related to us by common ownership or control) where you may direct us to share your information, or you otherwise intentionally interact with.</p> <p>Third party service providers.</p> <p>Government authorities or</p>

		<p>information from supervisory authorities with competent jurisdiction over our business).</p> <p>Direct marketing of our products and services.</p> <p>Monitoring and analysing our activities.</p> <p>Business management and planning, including accounting and auditing.</p>	<p>other entities with legal authority to receive the data.</p>
<p>Commercial information – such as records of personal property, products or services purchased, obtained, or considered, investment history and holdings, investment performance data, or other purchasing or consuming histories or tendencies</p>	<p>Directly from you or from another person on your behalf.</p> <p>Information that we obtain in relation to any transactions between you and us.</p>	<p>Administering the relationship between you and us (including communications, reporting, processing transactions and resolving any complaints or disputes you are involved in).</p> <p>Complying with applicable legal or regulatory requirements (including anti-money laundering, know-your-client, fraud prevention, tax reporting, sanctions compliance, or responding to requests for information from supervisory authorities with competent jurisdiction over our business).</p> <p>Business management and planning, including accounting and auditing.</p>	<p>Third party service providers.</p> <p>Government authorities or other entities with legal authority to receive the data</p>
<p>Compliance information – including screening results of whether investors comply with Office of Foreign Assets Control (OFAC) and other sanction laws/requirements.</p>		<p>Complying with applicable legal or regulatory requirements (including anti-money laundering, know-your-client, fraud prevention, tax reporting, sanctions compliance, or responding to requests for information from supervisory authorities with competent</p>	<p>Third party service providers.</p> <p>Government authorities or other entities with legal authority to receive the data</p>



		jurisdiction over our business).	
<p>Where Personal Information is required to satisfy a statutory obligation (including compliance with applicable anti-money laundering or sanctions requirements) or a contractual requirement, failure to provide such information may result in your subscription in the applicable Fund being rejected or compulsorily withdrawn, as applicable. Where there is suspicion of unlawful activity, failure to provide Personal Information may result in the submission of a report to the relevant law enforcement agency or supervisory authority.</p> <p>We may share your Personal Information with our affiliates for direct marketing purposes, such as offers of products and services to you, by us or our affiliates. Our affiliates do business under names included but not limited to Napier Park Global Capital (US) LP, Napier ark Global Capital GmbH, Napier Park Global Capital Ltd, First Eagle Investments; First Eagle Holdings, Inc.; First Eagle Investment Management, LLC; FEF Distributors, LLC; First Eagle Separate Account Management, LLC; First Eagle Alternative Credit, LLC; First Eagle Alternative Capital BDC, Inc., First Eagle Investment Management Ltd; First Eagle Investment Management GmbH; First Eagle Funds (Ireland) ICAV; First Eagle Amundi Sub-Funds (Luxembourg) SICAV; and any other Napier Park funds and any sub-funds, as applicable.</p> <p>You have a right to object to the processing of your Personal Information where the processing is carried out for our legitimate interests or for direct marketing, by contacting us at <a href="mailto:IR@napierparkglobal.com">IR@napierparkglobal.com</a>, (212) 235-0700 (attention:Investor Relations).</p>			

#### How we use cookies?

Like most websites, our site uses small data files stored on your computer called cookies. Cookies consist of two different types; session and persistent. Session cookies enable us to recognise your actions during the browsing session, are temporary and expire when you close your browser and are not stored beyond this. Persistent cookies remain stored on your device after you close your browser until they expire or when you delete them.

Cookies give us insight into how people use our website to help us keep improving it. Cookies do lots of different things, such as helping us to:

- avoid asking you to register or complete details twice;
- estimate the number of visitors to our site, including the source and patterns relating to this traffic; and
- understand how visitors use the site, and how we can enhance this experience.

Certain of these cookies are strictly necessary to the access and operation of the site and other cookies used are non-essential to the access and operation of the site.

Please see below for more information on our use of cookies.

Name	Cookie	Purpose
Google Analytics	Non-essential persistent cookies	<p>These cookies are used to:</p> <ul style="list-style-type: none"> <li>• give us insight into how people use our site in order to help us improve the site; and</li> </ul>

		<ul style="list-style-type: none"> <li>provide estimates of the number of visitors to our site, including the source and patterns of the user traffic, in order to see how we can enhance your experience when visiting the site.</li> </ul>
Hotjar	Non-essential persistent cookies	Hotjar assists its users/customers in providing their end users with a better experience and service as well as assist them in diagnosing technical problems and analyzing user trends. Most importantly, through Hotjar's services, the functionality of the Hotjar Enabled Site can be improved, making them more user-friendly, more valuable, and simpler to use for the end users.
Fastbase	Non-essential persistent cookies	To help improve the Service, our website and to develop new features and functionality we collect and analyse usage information. Processing User Data for analytics purposes is done in aggregated or anonymized form.
Aptiv.IO	Non-essential persistent cookies	Assists Client-facing teams in identifying which Businesses are visiting their website. The User Data is processed for marketing analytics purposes only, in an aggregated and anonymized format. Correlated with other Client information from both publicly available and internal data sources, it enables Sales and Business Development teams to prioritize and personalize their prospecting efforts.
<b>How do I manage my cookie settings?</b>		

You are able to accept or reject all cookies, including cookies that are necessary to the functioning and accessibility of our website, via your browser settings. Please note, that rejecting necessary cookies may have an impact on the functioning of the website.

In addition, you can also manage your preferences to consent to or reject cookies through the cookie banner on the homepage of our website, where you have the option of accepting the use of non-essential cookies on your device.

#### **What categories of Personal Information will we collect in the next 12 months and why?**

We will continue to collect the same categories of Personal Information listed in the charts above, for the same purposes. If this should change, we will issue an updated Privacy Notice.

#### **Additional facts about how we share your Personal Information**

The third parties with whom we share your Personal Information are bound to comply with similar and equally stringent undertakings of privacy and confidentiality.

We also share your Personal Information with third parties to comply with legal obligations; when we believe in good faith that an applicable law requires it; at the request of governmental authorities or other third parties conducting an investigation; to detect and protect against fraud, or any technical or security vulnerabilities; to respond to an emergency; or otherwise to protect the rights, property, safety, or security of third parties, visitors to our websites, our businesses, or the public.

We do not grant access to your Personal Information to any other third parties unless we say so in this Privacy Notice or unless the law requires it.

#### **Retention periods and how we keep your Personal Information secure**

We will not retain Personal Information for longer than is necessary in relation to the purpose for which it is collected, subject to Data Protection Law. Your Personal Information will be retained for the duration of your investment in the Fund or the Master Fund, as applicable, and for a minimum period of five to seven years after a withdrawal, as applicable, of an investment from the Offshore Fund or the Onshore Fund, as applicable, or liquidation of a Fund. We may retain Personal Information for a longer period for the purpose of marketing our products and services or compliance with applicable law. From time to time, we will review the purpose for which Personal Information has been collected and decide whether to retain it or to delete it if it no longer serves any purpose to us.

We aim to protect your Personal Information from unauthorised access and use, by implementing and maintaining reasonable security appropriate to the nature of the Personal Information that we collect, use, retain, transfer or otherwise process. Our reasonable security program is implemented and maintained in accordance with applicable law and relevant standards. While we are committed to developing, implementing, maintaining, monitoring and updating a reasonable information security program, no such program can be perfect; in other words, all risk cannot reasonably be eliminated. Data security incidents and breaches can occur due to vulnerabilities, criminal exploits or other factors that cannot reasonably be prevented. Accordingly, while our reasonable security program is designed to manage data security risks and thus help prevent data security incidents and breaches, it cannot be

assumed that the occurrence of any given incident or breach results from our failure to implement and maintain reasonable security.

We will notify you of any material Personal Information breaches affecting you in accordance with the requirements of Data Protection Law.

#### **What about marketing?**

You may control marketing communications at any time by opting out of future communications through the link at the end of our emails.

#### **Do we respond to “Do Not Track” signals?**

We may track online activity on our site over time, including referral URLs. We do not respond to browser or do not track signals.

#### **International Transfers**

Because of the international nature of a fund management business, Personal Information may be transferred to countries outside the EEA (“**Third Countries**”), such as to jurisdictions where we conduct business or have a service provider, including countries that may not have the same level of data protection as that afforded by the Data Protection Law in the EEA. In such cases, we will process Personal Information (or procure that it be processed) in the Third Countries in accordance with the requirements of the Data Protection Law, which may include having appropriate contractual undertakings in legal agreements with service providers who process Personal Information on our behalf in such Third Countries.

#### **How do you access or request deletion of your Personal Information?**

You can log into your account to access or request deletion of certain information about yourself, or you can do so by using the contact details set out at the end of this Privacy Notice. For security purposes, you may be required to provide additional information to verify your identity and validate your request, and the number of identification points may vary depending on the nature and sensitivity of the information you seek. Moreover, we may not be able to grant all requests, as an exception may apply and/or we may be required to retain information for record keeping or other legal compliance purposes. We endeavour to promptly reply to any privacy rights requests, but at least shall reply to your request within the time frames required by applicable local law.

***Requests for Household Information.*** There may be some types of Personal Information that can be associated with a household (a group of people living together in a single dwelling). Requests for access or deletion of household Personal Information must be made by each member of the household, and each request must be verified before we can fulfil a household request.

***Authorized Agents.*** You may designate an agent to submit requests on your behalf. The agent can be a natural person or a business entity that is registered with the California Secretary of State. Authorized Agents are required to verify your identity and the agent relationship, as further described below.

## What rights do you have in relation to the Personal Information we hold on you?

### European Economic Area (EEA) Residents

If based in the EEA you have certain rights under the GDPR in relation to our processing of your Personal Information and these are, generally: (i) the right to request access to your Personal Information; (ii) the right to request rectification of your Personal Information; (iii) the right to request erasure of your Personal Information (the “right to be forgotten”); (iv) the right to restrict our processing or use of Personal Information; (v) the right to object to our processing or use where we have considered this to be necessary for our legitimate interests (such as in the case of direct marketing activities); (vi) where relevant, the right to request the portability of your Personal Information; (vii) where your consent to processing has been obtained, the right to withdraw your consent at any time; and (viii) the right to lodge a complaint with a supervisory authority. You should note that your right to be forgotten that applies in certain circumstances under the GDPR is not likely to be available in respect of the Personal Information we hold, given the purpose for which we collect such Information, as described above.

You may contact us at any time to limit our sharing of your Personal Information. If you limit sharing for an account you hold jointly with someone else, your choices will apply to everyone on your account. US state laws may give you additional rights to limit sharing.

### U.S. Residents

Residents of certain states may have the following additional privacy rights.

#### YOUR RIGHT TO REQUEST ACCESS TO INFORMATION WE COLLECT AND SHARE ABOUT YOU

We are committed to ensuring that you know what information we collect about you. You can submit a request to us for the following information, with respect to certain Personal Information we have collected :

- The categories of Personal Information we have collected about you.
- The categories of sources from which we collected the Personal Information.
- The business or commercial purposes for which we collected or sold the Personal Information.
- The third parties with whom we shared the information.
- The specific pieces of information we collected about you.

We are also committed to ensuring that you know what information we share about you. You can submit a request to us for the following further information:

- The categories of Personal Information (if any) that we have sold about you, the third parties to whom we sold that Information, and the category or categories of Personal Information sold to each third party.
- The categories of Personal Information that we have shared with Service Providers who provide services to us.

Our responses to any of these requests will cover the 12-month period preceding our receipt of the request.

#### YOUR RIGHT TO REQUEST THE DELETION OF PERSONAL INFORMATION WE HAVE COLLECTED FROM YOU

Upon your request, we will delete certain Personal Information we have collected about you, except for situations where specific information is necessary for us to: provide you with a good or service that you requested; perform a

contract we entered into with you; maintain the functionality or security of our systems; or comply with or exercise rights provided by the law. The law also permits us to retain specific information for our exclusively internal use, but only in ways that are compatible with the context in which you provided the information to us or that are reasonably aligned with your expectations based on your relationship with us.

#### **WE ARE COMMITTED TO HONORING YOUR RIGHTS AND ENSURING FAIR TREATMENT**

We are committed to providing investors control over their Personal Information. If you exercise any of the rights explained in this Privacy Notice, we will continue to treat you fairly. In particular, this means that investors who exercise their rights under this Privacy Notice will not be denied or charged different prices or rates for goods or services, and individuals will not be offered a financial incentive for their Personal Information, or provided a different level or quality of goods or services than others unless those differences are reasonably related to the value of your Personal Information to Napier Park.

#### **How will we handle a request to exercise your rights?**

For requests for access or deletion, we will first acknowledge receipt of your request within 10 days of receipt of your request. We will provide a substantive response to your request as soon as we can; (i) within one month from receipt of your request, where you are a resident in the EEA; and (ii) generally within 45 days from receipt of your request where you reside in the U.S.. Although we may be allowed to take longer to process your request in certain jurisdictions or under certain circumstances. If we expect your request is going to take us longer than normal to fulfil, we'll let you know.

We usually act on requests and provide information free of charge, but we may charge a reasonable fee to cover our administrative costs of providing the information in certain situations.

In some cases, the law may allow us to refuse to act on certain requests. When this is the case, we will endeavour to provide you with an explanation as to why.

## How will we verify your identity when you submit a access or deletion request?

### U.S. Residents

#### **IF YOU MAINTAIN A PASSWORD-PROTECTED ACCOUNT WITH US**

We will verify your identity using a two-step process. We will first ask you to log into your account, and we will then ask you to separately authenticate your identity by asking by entering your User ID and password and each user will be required to answer security questions for verification when they need to reset passwords. . If we are unable to verify your identity through your password-protected account with a reasonable degree of certainty appropriate to the nature of your request, for security reasons, we may ask you to verify your identity in accordance with the additional requirements described below.

#### **REQUESTS FOR SPECIFIC PIECES OF PERSONAL INFORMATION**

We will ask you for at least three pieces of Personal Information and endeavour to match those to information we maintain about you. Additionally, we require that you provide a declaration attesting to your identity, signed under penalty of perjury. If we are unable to verify your identity with the degree of certainty required, we will not be able to respond to the request. We will notify you to explain the basis of the denial. Additionally, we will treat the request as one seeking disclosure of the categories of Personal Information we have collected about you and endeavour to verify your identity using the less-stringent standards applicable to such requests.

#### **REQUESTS FOR CATEGORIES OF PERSONAL INFORMATION COLLECTED ABOUT YOU**

We will ask you for at least two pieces of Personal Information and endeavour to match those to information we maintain about you. If we are unable to verify your identity with the degree of certainty required, we will not be able to respond to the request. We will notify you to explain the basis of our denial.

#### **REQUESTS FOR DELETION OF PERSONAL INFORMATION WE HAVE COLLECTED FROM YOU**

We do not and will not sell your Personal Information to third parties.

#### **AUTHORIZED AGENTS – ADDITIONAL VERIFICATION REQUIRED**

If you would like to designate an agent to act on your behalf, you and the agent will need to comply with our agent verification process. You will be required to verify your identity by providing us with certain Personal Information as described above, depending on whether you hold an account with us or not and the nature of the information you require, which we will endeavour to match the information submitted to information we maintain about you. Additionally, we will require that you provide us with written confirmation that you have authorized the agent to act on your behalf, and the scope of that authorization. The agent will be required to provide us with proof of the agency relationship.

## How can you contact us?

If you have questions on the processing of your Personal Information, would like to exercise any of your rights, or are unhappy with how we've handled your information, please contact Investor Relations at [IR@napierparkglobal.com](mailto:IR@napierparkglobal.com), 212-235-0700 (attention: Investor Relations) or by writing to the following address 280 Park Avenue, 3rd Floor, New York, NY 10017, For more information or requests in relation to the processing of Personal Information by the Administrator or any other service provider of the Funds, you may also contact the relevant service provider directly at the address specified in the Directory section of the Memorandum or by visiting their websites. If you would like to assert your privacy rights, you may also call us toll free at 1-(855)-279-4447.

### **Accessibility Policy**

We are committed to ensuring that our communications, including on our website, are accessible to people with disabilities. Our website is designed to meet content accessibility guidelines. To make accessibility-related requests or report barriers, please contact us at [IR@napierparkglobal.com](mailto:IR@napierparkglobal.com), 212-235-0700 (attention: Investor Relations).

### **What about changes to this Privacy Notice?**

We will review and update this Privacy Notice periodically in light of changing business practices, technology, and legal requirements. If we make a significant or material change in the way we use or share your Personal Information, you will be notified via email or a notice on our website.