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Form ADV Part 2A

Firm Brochure

31 March 2023

This Brochure provides information about our qualifications and business practices. If you have questions about our Brochure, call + 44 (0)20 7993 9300 or e-mail compliance@pembertonam.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any foreign or state securities authority.

More information about us is available on the SEC's website, www.adviserinfo.sec.gov. An investment adviser's registration with the SEC does not imply a certain level of skill or training.

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a confidential offering memorandum, related subscription materials or other governing legal documentation. The securities of these entities are offered on a private placement basis. If in the United States, the securities are offered pursuant to Regulation D under the U.S. Securities Act of 1933. The entities are exempt from the definition of an investment company pursuant to Section 3(c)(7) of the U.S. Investment Company Act of 1940.

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Item 2 Material Changes

This is our Brochure on Form ADV Part 2A, filed as part of our annual amendment. We have the following material changes from the date of our last Brochure, which was 31 March 2022.

- Jeremy Nicholas Hamilton Hood has left as a partner and Chief Finance Officer.
- Pemberton Capital Advisors (Jersey) Limited was dissolved on 24 June 2022. Where we were previously a sub-adviser and this company was the adviser to certain funds, we are now the investment adviser of record.
- Effective 19 January 2023, we received a change of our regulatory permissions from the UK regulator, the Financial Conduct Authority ("FCA") to act as an investment manager under the FCA and FSMA rules.
- We are now the investment adviser in respect of four new funds: Pemberton NAV Financing SCSp SICAV-RAIF, Pemberton Risk Sharing Fund SCSp SICAV-RAIF, Pemberton Senior Loan Fund II SCSp SICAV-RAIF and Pemberton Strategic Credit Fund III SCSp SICAV-RAIF, all discussed in Item 4 below.

As we do not have retail investor clients, we are not required to file or furnish a Form CRS.

When material changes occur, we will file an amended Brochure and send this to our clients.

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Pemberton Capital Advisors LLP

Item 4 Advisory Business

Who we are

PCA is a limited liability partnership incorporated in England and Wales in November 2010. We are an SEC registered investment adviser and are authorised and regulated by the FCA. We are one of several Pemberton companies that focus on advising private funds or compartments of same that make commercial loans to European mid- market corporates seeking to grow and expand their businesses. We are a MiFID regulated firm. We are an exempt CTA.

As at 29 March 2023, we employ 84 partners and employees. We have the following equity owners, as disclosed in our Form ADV Part 1: Legal & General Capital Investments Ltd-37.6%; PCA staff and management-30%; Symon Drake-Brockman (Managing Partner)-26.4%; and Pemberton Asset Management Services UK Limited ("PC Services")-6%. We are the 100% owner of Pemberton Capital Advisors France SAS ("PCAF"). PC Services is a wholly owned subsidiary of Pemberton Asset Management Holdings Limited ("Holdings"). We identify the owners of Holdings in our Form ADV Part 1 Schedule B. PCAF and Pemberton Asset Management GmbH ("PAMG") are our related persons and participating affiliates.

As of 31 December 2022, our assets under management were US\$ 14,169,403,261. Our regulatory assets under management are stated in our Form ADV Part 1.

The disclosures in this Form ADV Part 2A relate solely to any activities that involve U.S. resident persons that would invest in a fund or a compartment for which we serve as non-discretionary investment adviser or to a feeder fund for certain of these, named herein.

Activities

We do not manage assets in separately managed accounts. We manage assets for Luxembourg funds and compartments of funds, and feeder funds, as a non-discretionary adviser.

Certain of these funds and compartments are not incorporated in the United States, are not marketed in the United States and do not have U.S. person investors. We receive a fee for advising them and are reimbursed for expenses.

Other funds and compartments, and the feeder funds, are marketed in the United States or have U.S. person investors. These are named and discussed below. We provide advice to the feeder funds noted below for hedging (Spot FX and FX forwards).

Pemberton Asset Management S.A., a Luxembourg CSSF authorised Alternative Investment Fund Manager, "AIFM" ("IM" or "PAMSA") is the investment manager to these funds and compartments. PAMSA is a Private Fund Adviser and files a report on Form ADV Part 1 with the SEC as an Exempt Reporting Adviser ("ERA"). The general partner of each compartment is named as a Private Fund Adviser in the IM's Form ADV Part 1.

Strategies, funds, and compartments

Mid-Market Debt Strategy

Pemberton Debt Fund SCS, SICAV-FIS ("Debt Fund") is a Luxembourg investment company with variable

capital. The Debt Fund's general partner is Pemberton Debt GP S.à.r.l. ("Debt Fund GP"), a private limited company (*société à responsabilité limitée*) incorporated in Luxembourg and a wholly owned subsidiary of Holdings. Debt Fund GP is an ERA. We are the non-discretionary adviser for the following Debt Fund compartments that are marketed to or that have U.S. person investors.

- Pemberton Debt Fund Compartment 1 ("Compartment 1") of the Debt Fund: this is closed to new investors. Compartment 1 invests in a portfolio of senior secured loans to established mid-market European companies to generate an expected quarterly income stream and attractive returns for Investors. Compartment 1 uses leverage as explained in Item 8 below.
- We are the non-discretionary adviser to Pemberton European Mid-Market Debt Fund II (A) ("Fund II"), Compartment 5 of the Debt Fund, which is closed to new investors.

Pemberton Debt Fund II SCS, SICAV-RAIF ("Debt Fund II"): this is a Luxembourg investment company with variable capital – reserved alternative investment fund under the form of a common limited partnership structured as an umbrella fund. The Debt Fund II's general partner Pemberton Debt GP II S.à.r.l. ("Debt Fund II GP") a private limited liability company (*société à responsabilité limitée*) incorporated in Luxembourg and a wholly owned subsidiary of Holdings.

- We are the non-discretionary adviser to Pemberton European Mid-Market Debt Fund II (B) ("Compartment II (B)"), a compartment of Pemberton Debt Fund II SCS, SICAV-RAIF ("Debt Fund II"). U.S. persons invest in this through Pemberton Debt Fund Delaware II LP (Fund II Feeder Fund"), and all or substantially all of the assets in this feeder fund are invested in this compartment. This fund is now closed to new investors.

Pemberton Mid-Market Debt Fund III SCS, SICAV-RAIF ("Debt Fund III") is a Luxembourg investment company with variable capital. Its general partner is Pemberton Debt GP III S.à.r.l. ("Debt Fund III GP"), a private limited company (*société à responsabilité limitée*) incorporated in Luxembourg and a wholly owned subsidiary of Holdings. Debt Fund III GP is an ERA. U.S. investors participate in Debt Fund III by investing in Pemberton Mid-Market Debt Fund III SCSp SICAV-RAIF (USD Co-investment) ("Debt Fund III (Co-Invest)"), which is now closed to new investors.

We are the non-discretionary adviser to Pemberton Mid-Market Debt Fund IV (EUR) ("Debt Fund IV EUR") and Pemberton Mid-Market Debt Fund IV (Levered) ("Debt Fund IV Levered"), compartments of Pemberton Mid-Market Debt Fund IV SCSp SICAV-RAIF is open to new investors.

Debt Fund IV is a Luxembourg investment company with variable capital. Debt Fund IV's general partner is Pemberton Debt Fund IV GP S.à.r.l. ("Debt Fund IV GP"), a private limited liability company (*société à responsabilité limitée*) incorporated in Luxembourg.

Senior Loan Strategy

We are the non-discretionary adviser to Pemberton Senior Loan Fund II SCSp SICAV-RAIF; the compartment that is marketed to or that has U.S. person investors is the Pemberton Senior Loan Fund II (EUR) ("SLF II (EUR)").

Risk Sharing Strategy

We are the non-discretionary adviser to Pemberton Risk Sharing Fund SCSp SICAV-RAIF ("RSS"). The

compartments that are marketed to or that have U.S. person investors are Pemberton Risk Sharing Fund SCSp SICAV-RAIF - EUR (Unlevered) ("RSS EUR (Unlevered)") and Pemberton Risk Sharing Fund SCSp SICAV-RAIF USD (Levered) compartment ("RSS USD (Levered)").

NAV Strategy

We are the non-discretionary adviser to Pemberton NAV Financing SCSp SICAV-RAIF; the compartments that are marketed to or that have U.S. person investors are Pemberton NAV Financing SCSp SICAV-RAIF – Strategic Fund ("NAV Strategic") and Pemberton NAV Financing SCSp SICAV-RAIF – Core Fund ("NAV Core").

Strategic Credit Strategy

We are the non-discretionary adviser to Compartment 4 of the Debt Fund, which is now closed to new investors. This compartment has a feeder fund for U.S. persons to invest; in turn, substantially all of the assets in each feeder fund are invested in a compartment (the remainder is used for hedging).

- U.S. investors invested in Compartment 4 through a Delaware feeder fund, Pemberton Strategic Credit Fund Delaware I LP ("SCOF Feeder Fund").
- U.S. investors that are ERISA pension funds invested in SCOF through Pemberton Strategic Credit Fund Cayman I LP ("ERISA SCOF Feeder Fund").

We are the non-discretionary adviser to Pemberton Strategic Credit Fund II SCSp, SICAV-RAIF ("SCF II"). SCF II is a Luxembourg investment company with variable capital. SCF II's general partner is Pemberton Strategic Credit Fund GP II S.à.r.l. ("SCF II GP"), a private limited company (*société à responsabilité limitée*) incorporated in Luxembourg and a wholly owned subsidiary of Holdings. SCF II GP is an ERA. The SCF II is an umbrella fund structure with separate compartments. Each compartment has its own assets, processes, objectives and restrictions. U.S. person investors participate in the USD compartment of the Pemberton Strategic Credit Fund II (B) compartment ("SCF II (B)"). SCF II (B) is now closed to new investors.

We are the non-discretionary adviser to Pemberton Strategic Credit Fund III SCSp, SICAV-RAIF ("SCF III"); the compartments that are marketed to or that have U.S. person investors are the Pemberton Strategic Credit Fund III (A) ("SCF III (A)") and Pemberton Strategic Credit Fund III (B) ("SCF III (B)"), closed to new investors.

Working Capital Finance Strategy

We are the non-discretionary investment adviser to Pemberton Payables & Receivables Opportunity Fund S.A. SICAV-FIAR ("PROF"); Global Trade Solutions 1 ("GTS 1") is a compartment into which U.S. persons invests.

PROF is a Luxembourg umbrella fund. PROF will, through one or more compartments, invest (either directly or through one or more investment holding companies) in a portfolio of one or more investment programmes sourced through approved servicers.

Co-investments, capital structure, parallel investments and transfers

Co-investment: From time to time, a loan will be considered that would be suitable for one or more compartments, such as a compartment of Debt Fund IV, Debt Fund III, Debt Fund II, Debt Fund, SCF III, SCF II, SCF, SLF II, RSS, NAV or PROF. This allocation issue is a conflict of interest. To address this, loans are

considered based on objective criteria that does not consider fees and that is assessed and documented in the credit due diligence process on the basis of each compartment's specific investment objectives and restrictions and the allocation requirements applicable to a fund or a compartment. The final allocation, based on these criteria and in accordance with the PM procedures, is made by the IM's Portfolio Management Conducting Officer ("PMCO") and presented to the IM's Investment Committee ("IC") for consideration and approval. Fee methodology and calculations are subject to a separate external independent, annual review by our auditors.

Capital structure: A conflict arises when making investments at different levels of an issuer's capital structure for different funds or compartments or between different vintages of the same strategy as the different funds will have conflicting motivations should the borrower enter a restructuring. To address this conflict, we have a process that involves a three-tier oversight approach undertaken by an initial and final Credit Review Committee with any potential conflict being raised to the Conflicts Committee for review and clearance and then oversight by the IM's IC which review and approve the investment. There is an eleven-step process approved by the Conflicts Committee that would oversee a restructuring workout.

Transfers: Certain assets held by one fund or compartment can be transferred between funds or compartments causing a conflict and an issue in valuing the asset to be transferred. Proposals to sell-down or transfer assets from a compartment to another vehicle or 3rd party will be executed in accordance with the respective General Partner's contractual obligations. Where the GP believes the matter will have a material effect on the fund, this must be approved by the Investment Advisory Committee ("IAC") (members of the IAC are limited partners who are large sophisticated institutions). For any asset transfer consideration will be given to (1) transfer price of the asset, (2) suitability of the transfer between a selling and buying entity and (3) commercial rationale as to why this is attractive for both sets of investors. The assets will be valued prior to any transaction according to the Valuation Policy and will be approved by the IM's IC.

Item 5 Fees and Compensation Fees

For all funds and compartments listed in Item 4, above, excluding PROF

As discussed below, under the terms of the fund and compartment constitutional documents, Information Memorandum and compartment Supplements, the fund general partner is entitled to be paid a fee. The fee is calculated in the first two weeks of each quarter for the previous quarter by the fund administrator. The only two fund general partners that retain a portion of this fee, then pay the balance to PAMSA as the IM are Pemberton Capital Sarl and Pemberton Debt GP S.à r.l. PAMSA keeps a portion of the fee that it receives, 5bps of fee basis (i.e. commitment, invested capital and NAV), then remits the balance to PCA as the Investment Adviser ("IA").

We do not receive a fee from the feeder funds for our hedging advice.

We receive from the IM on a quarterly basis in advance an amount to cover the reasonable costs and expenses that we incur relating to our role as an investment advisor to each fund or compartment.

Statements are sent on a quarterly basis to all investors showing all expense amounts incurred in the compartment. Each fund or compartment auditor performs an annual review of the fee methodology and calculations.

Fees on Commitments after the Investment Period (the period before fund or compartment closure) – this is applicable for Compartment 1

Fees are calculated quarterly in advance based on outstanding amounts owing to the investors for the acquisition of assets less any adjustment for write offs or permanent impairment (“drawn commitments”) used to fund the acquisition cost of investments that have not been sold or written off (and *pro-rated* on a time basis for any period of less than a calendar quarter). The fee we receive is the net residual management fee paid to the relevant general partner, after deducting non-reimbursable operating expenses paid by the IM and the IA and the fees retained by the general partner, the IM and the IA.

Fees on Deployment

For the relevant fund or compartments, fees are paid quarterly in arrears (and *pro-rated* on a time basis for any period of less than a calendar quarter), calculated based on the acquisition cost of each portfolio investment, as at the end of the relevant calendar quarter.

All direct lending funds pay management fee on deployment except for Pemberton Debt Fund SCS, SICAV-FIS - Compartment 1.

Co-investment fee - funds

Under the terms of the fund documents, co-investment fees due can be paid to either the relevant general partner, the IM or us as the IA. The co-invest fee is defined as a sum equal to the amount by which net co-invest disposal proceeds exceed the net co-invest acquisition cost, if any, subject to a reduction as set out in the relevant compartment supplement – arising as the result of a disposition or sale of a loan or investment. Co-investment fees are presently paid from the fund to the relevant general partner, onto the IM and then to IA.

Given the relationship that the IM and the IA, and other related persons have to the general partners, this is a conflict of interest. All such fees are calculated on an arm’s length basis and are reviewed annually by independent auditors for the methodology and calculations.

PCA does not receive a fee on the disposition or sale of a loan, on maturity or otherwise.

Pemberton Operational Services UK Limited (“POS”) provides certain middle and back-office services to PAMSA, the funds, and the compartments. POS is remunerated directly from the assets of one fund and the compartments, with such fees regularly disclosed to limited partners in the periodic reports and in the annual report.

PROF Fees

As of the date of this Brochure, GTS 1 is the only compartment of PROF in operation.

Under the terms of the PROF fund and compartment constitutional documents, Information Memorandum and compartment Supplements, PAMSA receives a management fee for its services (“Management Fee”). The Management Fee payable for each sub-class of this compartment and is defined in each subscription agreement as a percentage per annum, determined monthly based on the net asset value of the sub-class and payable monthly in arrears. This fee is calculated the first week of each month by the fund administrator.

In addition, PCA receives a fee for services provided to Supply Chain Investments ICC (or cells thereof), an investment holding company ("IHC") of PROF, which is payable based on the net asset value of each sub-class relating to a tracking class and will vary by tracking class. The fee relates to services including sourcing, negotiating and implementing Investments, negotiating and implementing amendments to the investment programmes relating to assets directly comprising, or backed by or secured on, accounts receivable and/or accounts payable ("Eligible Assets"), made directly or indirectly for the account of one or more compartments ("Investment Programmes" or "Investments"), monitoring, structuring forms of funding or risk transfer of the exposures to the Investments, certain services in relation to the servicing of Investments, assisting the IHC with certain enforcement matters in the event that an Investment Programme is, or is anticipated to be, in default and ancillary matters relating to insurance products related to the Investments (which are ultimately arranged by the IHC on its own behalf via an insurance broker).

POS provides certain middle and back-office services to PROF, its compartments and certain IHCs. POS is remunerated directly from the assets of the relevant compartment (and/or the relevant IHC), with such fees disclosed to Shareholders in the Fund Annual Financial Report. The fee is determined monthly based on the net asset value of the fund.

Another source of fee income that is chargeable by PCA is a deal specific advisory fee. This fee relates to the work done by PCA in advising the Fund and the ultimate obligor/borrower when establishing a new investment programme. This fee does not follow a set formula and will be commercially agreed upon at the time of the deal between all parties. The fee is expected to be charged by PCA to the obligor/borrower.

In addition to the management fees that PAMSA recognises from the GTS1 compartment, a similar type of management fee is raised against a client and relates to the investment made by a 3rd party investor into Notes issues from Supply Chain Investments Sarl – Compartment 1. This fee is calculated monthly via reference to the month end asset balance. Currently this fee is 15bps.

Expenses (excluding PROF)

PCA is entitled to reclaim certain costs and expenses incurred from the relevant fund or compartment under the terms of our investment advisory agreement with the IM and the relevant Information Memorandum and compartment Supplement.

Each fund or compartment is responsible for all reasonable costs, including properly incurred legal, accounting, filing, organizational and other establishment fees and expenses incurred in the formation of each compartment, the general fund of that compartment and in raising capital for the compartment up to the limits set out in each the compartments legal documentation.

Costs incurred in pursuing the compartments investment program including all cost, liabilities and expenses associated with the origination, acquisition, holding, syndication, servicing and disposal of portfolio investments are the responsibility of the fund or compartment, as are certain costs and liabilities incurred in relation to the operation of the fund or compartment including financing costs, legal and compliance costs, insurance costs, custodian or trustee costs, administration costs, depositary costs, compartment accounting costs, investor communication and reporting costs, fees and government charges levied against the compartment, audit costs, tax compliance and reporting costs, costs associated with meetings of the compartment, costs incurred in connection with establishing and maintaining Escrow accounts and extraordinary costs and liabilities associated with each compartment.

Costs, expenses and liabilities attributable to a fund but not specifically attributable to a specific sub-class of such fund are allocated on a *pro rata* basis (based upon the NAV of the compartment relative to the NAV of the fund as a whole for Compartment 1 whereas for Debt Fund IV, Debt Fund III, MDF II, SCF III, SLF II, RSS, NAV, SCF II and non-U.S. funds on the basis of Investor Commitments). This applies to costs, expenses and liabilities relating to the general operation of the fund and costs associated with its on-going operations.

PROF Expenses

The fund and compartment are responsible for all reasonable costs, including properly incurred legal, accounting, filing, organizational and other establishment fees and expenses incurred in the formation of each compartment, the general fund of that compartment and in raising capital for the compartment up to the limits set out in each the compartments legal documentation. The costs listed above and in relation to the setting up and establishing of PROF were paid by Pemberton on behalf of the Fund.

PROF makes a monthly repayment to Pemberton to reimburse these costs, the calculation of which is a set percentage of this fund's invested capital. Each investor pays an equal weighting of these costs. Once the costs have been fully repaid, the fund will cease to make any further repayments. No interest or other charges are applied on the outstanding balance.

Costs incurred in pursuing the compartments investment program including all cost, liabilities and expenses associated with the origination, acquisition, holding, syndication, servicing and disposal of portfolio investments are the responsibility of the fund or compartment, as are certain costs and liabilities incurred in relation to the operation of the fund or compartment including financing costs, legal and compliance costs, insurance costs, custodian or trustee costs, administration costs, depositary costs, compartment accounting costs, investor communication and reporting costs, fees and government charges levied against the compartment, audit costs, tax compliance and reporting costs, costs associated with meetings of the compartment, costs incurred in connection with establishing and maintaining Escrow accounts and extraordinary costs and liabilities associated with each compartment.

Costs, expenses and liabilities attributable to a compartment but not specifically attributable to a specific sub-class of such compartment are allocated on a *pro rata* basis (based upon the NAV of the sub-class relative to the NAV of the compartment as a whole, or on any other basis as the directors in their sole discretion and acting in good faith consider just and equitable in the circumstances). This applies to costs, expenses and liabilities relating to the general operation of the fund and costs associated with its on-going operations.

This is a conflict of interest. To address this, expenses are paid according to the Fund Expenses Policy. Each compartment's financial statements are subject to independent, external audit annually and approved by the POS Fund Finance Team.

Valuations (excluding PROF)

Quarterly, POS reviews portfolios for performing assets and PCA (via the Credit team) for non-performing assets and produce loan and fund or compartment valuations in accordance with each fund or compartment valuation policy. The IM's Valuation Committee ("VC") is responsible for confirming a final valuation of each fund or compartment assets. The IM will consider the draft valuation recommendations of PCA. Valuations are finalized by the IM and sent to the fund or compartment administrator for recording and processing. The IM reviews the valuation methodology and calculations at least quarterly at the Valuation Committee. The annual external audits of the funds or compartments include an independent review of the valuation process, methodology and calculations for each fund and compartment. S&P Global is used as an independent source

to validate valuation calculations and provides a valuation report on each asset once a quarter.

Because POS performs the valuations and because the IM confirms the final valuation, this is a conflict of interest. This conflict of interest is addressed by the following: having an independent Chairman of the VC, which adds to the objectivity of the Committee; by having the other VC members be from PAMSA, with no PCA personnel in attendance at each VC meeting; by having the valuation recommendation performed by POS with only assistance from PCA in forming the valuation/impairment recommendation; by having the valuation process carried out by S&P Global assessing fact where possible, for example payment delays or external rating downgrades; and by having S&P Global validate calculations and provide evaluation reports.

PROF Valuations

At each month end, all assets of each Fund or compartment are reviewed for evidence of impairments in accordance with the PROF Valuation Policy. The IM's Valuation Committee is responsible for confirming a final valuation of each fund or compartment assets. The IM will consider the draft valuation recommendations of POS. Valuations are approved by the IM and sent to the fund or compartment administrator for recording and processing.

Due to the relationships among the companies involved, this is a conflict of interest.

The conflict of interest is addressed as follows:

- by having an independent Chairman of the VC, which adds to the objectivity of the Committee;
- the other VC members being PAMSA, no PCA members are in attendance at each VC meeting;
- the valuation recommendation is performed by POS with only assistance from PCA in forming the valuation/impairment recommendation; and
- the valuation process is carried out assessing fact where possible, for example payment delays or external rating down grades.

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

We do not engage in side-by-side management.

Item 7 Types of Clients

We provide non-discretionary research and recommendations to the funds and compartments noted in Item 4, which we treat as our clients, and cash management and FX hedging advice to the feeder funds. We also do this for certain funds and compartments that are not marketed in the United States and do not have U.S. person investors.

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

Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategy (excluding PROF, RSS and NAV)

The Debt Fund's objective is to invest, via compartments, in a portfolio of loans of varying seniority and risk to mid-market European corporates to generate an expected quarterly income stream. Each Debt Fund compartment has its own assets and its processes, objectives and restrictions and supplement to the Debt Fund's Information Memorandum.

The Debt Fund II's investment objectives are set out in the relevant supplement to each compartment.

The investment objective of Debt Fund III (Co-Invest) (the "Co-invest compartment") is to make co-investments alongside SCF II. The underlying investment portfolio will comprise senior loans, unitranche and subordinated debt and/or preferred investments relating to mid-market borrowers. Where the Co-invest compartment invests alongside Pemberton Strategic Credit Fund II or any other Pemberton fund, conflicts of interest may arise. It is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (and divestment thereof) (including with respect to price and timing) for the Co-invest compartment and such other Pemberton fund may not be the same. Additionally, the Co-invest compartment and such other Pemberton fund may have different investment periods and/or investment objectives (including return profiles) and Pemberton, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities. Moreover, a counterparty, lender or other participant in any transaction to be pursued by the Co-invest compartment and/or the other Pemberton fund may require or prefer facing only one fund entity or group of entities, which may result in any of the Co-invest compartment and such other Pemberton fund being jointly and severally liable for such applicable obligation (subject to any limitations provided for by law and/or set forth in the applicable partnership agreements or other constitutional document thereof), which in each case may result in the Co-invest compartment and such other Pemberton fund entering into a back-to-back or other similar reimbursement agreement. In such situations it is not expected that any of the Co-invest compartment or such other Pemberton fund or vehicles would be compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third party counterparty.

Debt Fund IV is an umbrella fund structure with separate investment compartments. Each compartment will have its own assets and its own processes, objectives and restrictions. Debt Fund IV's investment objective is to invest, via compartments, in a portfolio of senior loans, unitranche loans, asset backed loans, bonds, including both cash-pay and payment-in-kind ("PIK") interest structures relating to mid-market European companies located in or with significant operations in Europe (including the UK) to generate an income stream and attractive total returns through a debt portfolio.

The investment objective of Compartment II (B) is to invest in co-investments that may arise alongside SCOF. This compartment uses leverage as explained below.

The investment objective of SCOF is to invest in a portfolio of senior loans, unitranche and subordinated debt, and preferred instruments to mid-market companies located in or with significant operations in Europe. This compartment will not use leverage.

The investment objective of SCF II is to invest in a portfolio of senior loans, unitranche and subordinated debt and/or preferred instruments relating to mid-market European borrowers to generate attractive total returns through a debt portfolio.

The investment objective of SCF III (A) and SCF III (B) is to invest in a portfolio of senior loans, unitranche loans, asset backed loans, equivalent bond instruments, including both cash-pay and PIK interest structures relating to mid-market European companies located in or with significant operations in Europe (including the U.K.) to generate an income stream and attractive total returns through a debt portfolio.

The investment objective of SLF II (EUR) is to invest, via its Underlying AIF relevant compartment, in a portfolio of senior secured first lien loans to leading mid-market European companies.

A Sourcing loans (excluding PROF, RSS and NAV)

Our Origination Team identifies and sources loans, which includes staff members of PCAF, PAMG, the PAMSA Amsterdam and Danish branches, an individual in Spain and an independent advisor in Italy. The Origination Team's direct coverage of the markets in which we seek to invest provides local relationships, market knowledge and insight to access high quality, locally sourced deal flow.

Investment opportunities are sourced through banks, intermediaries and PE sponsors focused on the European mid-market.

- Having a permanent presence on the ground in key markets facilitates closer relationships with locally based banks and other market participants and intermediaries that may be key sources of market and borrower intelligence and investment opportunities.

Our investment strategy prioritises engaging with borrowers and banks early in the transaction process, enabling the Portfolio Management Team to directly negotiate loan terms to meet both the financing needs of borrowers and fund or compartment investment criteria.

We focus on the five largest UK and European economies: Germany, France, Italy and Spain. We consider other countries in Europe, including non-EU members Norway and Switzerland.

Although the funds and compartments may make other credit-related investments as described below, it is expected that they will primarily invest in two types of opportunities:

- *Sponsor loans* – supporting PE Sponsors by providing financing or refinancing for leveraged buyouts of mid-market European companies; and
- *Non-Sponsor loans* – providing growth or acquisition finance to, or refinancing existing debt packages of, non-sponsor-backed privately-owned European mid-market companies.

We expect the majority of loans to be direct bilateral, club or syndicated loans. However, legal requirements in certain jurisdictions or timing considerations may result in loans being structured as sub-participations or as a private placement of debt. The funds will target opportunities in which a bespoke and flexible financing solution is required. Key target loan opportunities may include:

- *Growth capital* – supporting the continued growth of strongly performing mid-market businesses;
- *Recovery capital* – supporting post-restructuring growth; and
- *Opportunistic investments* – acquiring debt instruments in secondary transactions or from incomplete syndication processes to capture attractive pricing upside. This may include certain special situations, distressed or other opportunistic investments that present a compelling investment case.

Only strategic credit strategies may also focus on:

- *Growth capital* – supporting the continued growth of strongly performing mid-market businesses;
- *Recovery capital* – supporting post-restructuring growth; and
- *Opportunistic investment* – acquiring debt instruments in secondary transactions to capture attractive pricing upside.

B Selecting loans (excluding PROF, RSS and NAV)

The Origination Team evaluates new investment opportunities against compartment or fund investment criteria, considering, *inter alia*, the borrower's size, business profile and business model, its competitive and market position, its industry sector and the maturity, structure, pricing and security of a loan. If the Origination Team considers that the potential opportunity is attractive, it will discuss this with the Portfolio Management Team. If the Portfolio Management Team agrees that a potential transaction is worthy of further investigation, the potential loan enters our due diligence process. After further research, the Portfolio Management and Origination Teams prepare a paper for submission and initial review by our Credit Review Committee ("CRC").

If the CRC supports the proposed transaction, it will authorize the Portfolio Management Team to undertake more detailed due diligence on the potential loan and proceed to structuring, negotiating and completing due diligence.

Due diligence typically includes an investigation of major business, accounting, tax, legal and regulatory issues as well as meetings with the senior management of the borrower. We use external independent experts and advisors where necessary, subject to compliance with our policies and procedures, including attestations, documentation and reviews, to prevent the misuse of information and to prevent any passing of confidential information, confidential client information or unpublished price-sensitive information (inside information) as defined and used in our Code of Ethics.

We build a financial model that includes information provided for each loan based on information provided by the proposed borrower. The borrower's business plan will then be stress tested focusing on factors expected to strengthen or weaken a borrower's financial position. The credit review will include relevant factors including a financial comparison to competitors in the same sector, an industry review and a management team assessment.

If the Portfolio Management Team still considers the potential transaction to be attractive, it will submit a more detailed Credit Paper to the CRC. If the transaction and the Credit Paper receive CRC support, the Credit Paper will be submitted, with CRC's endorsement and comments, if any, to the IM for review and approval at its Investment Committee ("IC").

The IM, acting through the IC, has discretion under the Management Company Services Agreement with the relevant general partner to approve or decline a loan proposal. It may recommend the terms of a proposed loan subject to final changes to such terms being recommended by us, provided that any such changes are not material and that the final terms are confirmed by the IC. All loan proposals are submitted to the relevant general partner for ratification.

After a loan is approved, our Portfolio Management Team will complete the following operational and administrative steps for the execution and closing of the loan, including:

PROF

Investment Strategy

The investment objective of PROF is to generate a regular income stream and an attractive total return on investment primarily by investing in ("Eligible Assets").

Selecting Loans and Sourcing Investment Opportunities

The Portfolio Management Team will evaluate new investment opportunities against the investment criteria of a compartment, considering, *inter alia*, the size, industry sector, business profile and the trading relationship between the debtors under an accounts payable and/or an accounts receivable (the “Obligors”) and the suppliers of goods and services to an Obligor under an investment programme (the “Vendors”). If the Portfolio Management Team believes the opportunity is an interesting investment opportunity, it will proceed to the structuring, negotiation, and due diligence of the investment.

If the Portfolio Management Team still considers the potential transaction to be an attractive Investment for a Compartment, it will submit a more detailed Credit Paper to the CRC.

The IM acting through its IC, may approve the terms of a proposed Investment subject to final changes to such terms being made by PCA as the investment advisor or provided that any such changes are not material and that the final terms are subsequently submitted to the IM for review and confirmation. If there are any material changes to the terms of an investment after the IM has approved them, the CRC must review the terms again and if the CRC still considers the investment appropriate, it will confirm its support for the transaction to the IC, which will have full discretion to approve or reject the proposed investment.

RSS

Investment Strategy

The investment objective of RSS USD (Levered) and RSS EUR is to invest in a portfolio of risk sharing transactions originated from global banks and leading European leaders by referencing a portfolio or portfolio of loans and other forms of credit to borrowers. Investments primarily take the form of credit-linked notes issued by an SPV or by the relevant counterparty financial institution, but different structures may be employed including cash securitization, bilateral guarantees and credit-linked deposits or loans.

Sourcing and Appraisal of Investment opportunities

The PM team makes an initial screening of originated opportunities based on a number of considerations including:

- the asset class or bank not being in RSS’s target market;
- unattractive transaction features which cannot be negotiated, or
- portfolio construction considerations (e.g., too much exposure to a particular bank or asset class, ESG considerations).

Credit Analysis

Portfolio credit analysis is undertaken by the Portfolio Management team using a mix of fundamental and statistical analysis, with the Credit team providing specific single-name analysis when appropriate. The specific analytical methodology used depends on the granularity of the portfolio and on the data provided by the bank or available from other sources.

A cashflow model of the transaction with all main features is built simulating a series of scenarios based on portfolio composition and historical data in order to assess the performance of the tranche in base and stress cases. In developing the scenarios, particular attention would be paid to potential portfolio drift, i.e., the

ability of the bank to change to composition of the portfolio over time through replenishments so that the scenarios not only stress the initial portfolio but also how the portfolio may change during the replenishment period.

Structural Analysis

In parallel to the credit analysis, the Portfolio Management team will review the structural features of the transactions.

Following the completion of the information gathering, structuring and initial negotiation with the bank, if the Portfolio Management team considers the potential asset to be an attractive investment, the Portfolio Management team will submit an RSS Investment Memo to the CRC for approval containing a summary of the proposed investment and the credit analysis and initial due diligence performed.

Due diligence

A due diligence session with the originating bank will typically be arranged after indicative bids to review:

Once due diligence has been completed and final terms negotiated, the Portfolio Management team will send to the CRC a summary of the results of the due diligence and will confirm that the final terms of the investment meet the conditions set out by the CRC.

The CRC will then confirm that the potential investment can be submitted to the PAMSA Investment Committee for review and approval.

NAV

Investment Strategy

The investment objective of NAV Strategic is to seek investment grade assets with insight regarding timing of portfolio investments' realisation. The transactions are typically highly structured bespoke, often bilateral, transactions with counterparties/borrowers that have significant experience and strong track records. The fund primarily invests in senior equity, covenant-lite loans, first lien secured loans, second lien secured loans, mezzanine loans, holding company loans, preference shares, preferred equity, convertible loans, CLOs, CFOs, other securitised instruments, unsecured loans, bonds, asset-backed financing, equity-linked and equity investments (both listed and unlisted), options, warrants, swaps and other derivatives.

The investment objective of NAV Core is to seek seasoned assets with insight regarding timing of portfolio investments' realisation. The transactions are typically highly structured bespoke, often bilateral, transactions with counterparties/borrowers that have significant experience and strong track records. The fund primarily invests in senior equity, first lien secured loans, second lien secured loans, mezzanine loans, holding company loans; preference shares, convertible loans, CLOs, CFOs, other securitised instruments, unsecured loans, bonds, asset-backed financing, equity-linked and equity investments (both listed and unlisted), options, warrants, swaps and other derivatives.

Selecting loans and sourcing investment opportunities

Investment opportunities for NAV Financing will be sourced by the Origination Team, leveraging strong and long-standing relationships with private equity sponsors, secondaries investors, banks, and advisors,

developed through the existing direct lending strategies.

We expect the strategy will primarily engage in bilateral, lead arranged transactions; however, it is expected that we will also consider intermediate club and syndicated transactions.

Credit fundamentals

As part of the screening process, the deal team undertakes an analysis of the credit fundamentals of opportunities considered for investment. If the NAV Portfolio Management (“**PM**”) team considers the opportunity to be potentially an attractive investment for a client, the deal team will prepare a sighting paper (“**Initial Review Paper**”) for review by Credit Review Committee (“**CRC**”).

Due diligence

Pemberton expects to conduct rigorous due diligence on each investment.

Credit paper and final review by CRC

Following the completion of the structuring, negotiation and due diligence process, if the PM team still considers the opportunity to be potentially an attractive investment for a Client, it will submit a more detailed paper (“**Final Credit Paper**”) to the CRC.

If the CRC approves the potential investment at the Final Review meeting, the Final Credit Paper will be submitted, with the CRC’s endorsement and comments, if any, to the IM’s IC for review and approval (“**Investment Proposal**”).

The IM’s IC has complete discretion whether to accept or decline investment Proposals from the CRC or to request that additional information, confirmations or due diligence be provided or undertaken.

Having reviewed the Investment Proposal, the IM’s IC will resolve to either approve the proposal, to reject the proposal or to seek further clarification from PCA in order to reach a final decision. The decisions of the Investment Committee will be recorded in the minutes of the relevant meeting.

C. Leverage

Compartment 1 will use leverage to enhance its investment returns. Such leverage will not exceed 100% of the aggregate investor commitments to that compartment at the end of the Investment Period, considering currency fluctuations. This compartment will borrow from third party providers, such as a bank, in other limited circumstances, including, *inter alia*, to pay this compartment’s fees and expenses and to make investments pending receipt of drawdowns. Under the terms of the leverage facility provided by the leverage lender, Citibank, N.A. London Branch, there are certain relevant considerations on assets in which this compartment may invest in addition to those in the offering document. These include tax, regulatory and eligibility constraints. Compliance with these considerations will be monitored at the point of acquisition by the portfolio manager and on an ongoing basis by the external collateral monitoring agent, Virtus Group L.P.

Compartment II (B) will use leverage with a view to enhance its investment returns. Such leverage will not exceed 100% of the aggregate investor commitments to that compartment at the end of the Investment Period, considering currency fluctuations. This compartment will also borrow from third party providers, such as a bank, in other limited circumstances, including, *inter alia*, to pay this compartment’s fees and expenses

and to make investments pending receipt of drawdowns. Under the terms of the leverage facility provided by the leverage lender, Credit Suisse AG, London Branch, there are certain relevant considerations on assets in which this compartment may invest in addition to those in the offering document. These include tax, regulatory and eligibility constraints. Compliance with these considerations will be monitored at the point of acquisition by the portfolio manager and on an ongoing basis by the external collateral administrator, The Bank of New York Mellon S.A. N.V.

Debt Fund IV (Levered) will use leverage to enhance its investment returns. It will target a 1:1 ratio of leverage to commitments and such leverage will not exceed 120% of the aggregate investor commitments and will be incurred at the level of the SV Compartment. This compartment will employ leverage by borrowing from brokerage firms, banks and other financial institutions, including, *inter alia*, to pay this compartment's fees and expenses and to make investments pending receipt of drawdowns, to meet any shortfall following a drawdown; for and in connection with interest rate, currency risk or other hedging for effective portfolio management purposes or to facilitate the acquisition of any investment with a view to the syndication, securitization or refinancing of any investment. Leverage may be obtained on an unsecured or secured/collateralised basis.

RSS USD (Levered) will use leverage to enhance its investment returns by borrowing funds from brokerage firms, banks, and other financial institutions. In each case, leverage may be obtained on an unsecured or secured / collateralized basis. The compartment shall target a 30% leverage ratio (ratio of borrowing to investment notional) and such leverage is not expected to exceed 50% of investment notional and will be incurred at the level of the SV Compartment. The Compartment may use short-term borrowing arrangements for interim financing (bridging), working capital, liquidity or other purposes.

D. On-going asset administration by a third-party administrator

We utilize an asset administrator for:

- facility/instrument set up and maintenance under the direction / supervision of Pemberton;
- trade capture, recordation and settlement;
- ongoing maintenance of asset positions to include processing of all scheduled and unscheduled loan activities;
- provision of daily data files for review;
- ongoing position, contract, cash and accrual reconciliations with Fund administrator(s); and
- production / distribution of reporting to include exceptions, cashflows, principal activity direct to us.

Servicing is divided between credit monitoring and administrative functions, as set out below.

Credit monitoring: monitoring the performance of Portfolio Investments post-close of lending will be undertaken using a two-level approach of ongoing monitoring and formal semi-annual reviews.

On-going process: we monitor updated financial information submitted by borrowers under the terms of their loans as well as any public announcements by borrowers. Our corporate credit rating system automatically updates the credit rating for each Portfolio Investment at least semi-annually based upon updated financial information from the borrower. We monitor alerts from our Early Warning System (proprietary software). We meet with the management of the borrowers, annually or as soon thereafter as is possible.

Formal reviews: each loan will undergo a formal semi-annual review by the CRC. Loans on the Watch List will be discussed on a weekly basis at the Enhance Monitoring Committee a sub-committee of the CRC. The IM will

be consulted in the event remediation action is recommended with respect to an investment on the Watch List.

E. Risks

General regulatory risk

Where required, we have obtained licences and consents, or exemptions, required from banking and financial services regulators to conduct business and seek to comply with all applicable laws and regulations. Laws, rules and regulations change, and if this occurs, we will adjust our licenses, consents and exemptions accordingly, or seek new ones. This is separate from licenses, approvals, consents or exemptions for a fund or compartment. Should it be determined that we have failed to comply with any applicable requirements, the regulators in such jurisdiction could, to an extent that they have authority to do so, impose sanctions on us, or a fund or compartment, seeking the cessation of activities or the impositions of condition.

Market instability and global developments

We do not currently undertake any trading or lending in or involving crypto currency, bitcoin or any other digital currencies.

Instability in the financial markets, pandemic or military action, has led to actions being taken by regulators and governments and could affect the regulation of the assets in which a compartment or fund invests, or the issuers of such assets, in ways that are unforeseeable.

Legislation and regulation may also change the way in which we or a fund operate or are regulated. If legislation or government regulations impose additional requirements or restrictions on the ability of financial institutions like PCA, the ability of a fund to originate loans or the availability of loans in the secondary market for investment may be adversely affected. In addition, such requirements or restrictions could reduce or eliminate sources of financing for certain borrowers. This would increase the risk of defaults. Investor-related regulation such as Solvency II and other similar national or EU regulatory constraints applicable to banks, insurance companies and pension funds may have an impact on a limited partner's investments in a fund or compartment. We are monitoring proposals by the SEC with respect to private fund disclosure proposals and will make necessary changes when or if adopted.

Rising inflation and interest rates

Whilst increasing base rates are a boon for Pemberton fund returns given the floating-rate nature of underlying loans, unhedged borrowers face correspondingly higher debt burdens. Interest-rate hedging is now an increased focus both among direct lenders and borrowers along with their private equity ownership. Meanwhile double-digit inflation across Europe continues to erode consumer confidence at the same time as underlying input costs are increasingly materially. The ability of borrowers to pass on cost increases remains a focal point of our credit underwriting process.

SONIA, EURIBOR or other interest rate benchmark reform

Where any floating rate Portfolio Investments calculate interest by reference to a benchmark interest rate ("**Benchmark**"), such as the Sterling Overnight Index Average ("**SONIA**"), or the European Inter-Bank Official Rate ("**EURIBOR**"), a change in the method of calculation of a Benchmark (or any currency or period in respect of which a Benchmark is calculated) could have a negative impact on the value of floating rate Portfolio

Investments.

USD LIBOR is to be discontinued in June 2023 and it is expected that market participants will instead use the Secured Overnight Financing Rate ("SOFR"). New US Dollar investments either include SOFR or USD LIBOR with an automatic fallback to SOFR once USD LIBOR ceases. We are working on a project to determine if any existing USD-denominated portfolio investments will require amending before June 2023 to replace USD LIBOR with SOFR.

The effects of these changes are not clear and could have a material adverse effect on the value of, and the amount payable under any Portfolio Investments which pay interest linked to SONIA, US LIBOR or EURIBOR or any other Benchmark.

ESG

We are a responsible investor, seeking to support its borrower clients in building long-term value through sustainable growth. We believe that we, as well as lenders like us, have a responsibility to enhance the positive impact of our investors' capital. While encouraging better business practice is the right thing to do, we believe it also contributes to better returns by ensuring we select borrowers that are well positioned for continued success in a world where more is expected of private businesses by key stakeholders, including employees, customers, regulators, and the local communities where these businesses operate. In our view, responsible behaviour is not only ethical - it also makes sense from a business perspective, combining long-term value for our shareholders, limited partners, and co-investors with stronger and more profitable growth for our portfolio companies. In addition, we also continuously strive to be as transparent as we can to our investor base with regards to collecting and communicating ESG KPIs. With our annual ESG borrower questionnaire, our proprietary ESG rating and our ESG margin ratchet.

Pemberton has built sustainability on three pillars:

1. *Corporate Sustainability* - involves our people, our governance and processes and is central to how we build a sustainable proposition for our investors, whilst investing in the well-being and career development of our colleagues.
2. *Corporate Social responsibility* - reflects our commitment to affect change in the community by supporting CSR programmes through our local offices and our co-founding of the Social Mobility Private Credit Partnership.
3. *Responsible investing* - ESG issues are incorporated into our investment analysis and decision-making processes. Our recent vintages, which include Debt Fund IV, SCF III, SLF II, RSS and NAV, are Article 8 compliant under the Sustainable Finance Disclosure Regulation (SFDR). i.e., per the SFDR guidelines they "promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices." Our funds are not Article 9 compliant under SFDR, as sustainable development and/or the reduction of carbon emissions are not our funds' objectives.

Environmental factors are a key component of the rating process that we conduct on any new investment, and this assessment is reviewed annually. Each new investment proposal is screened against negative and positive screening criteria. The screening of investment opportunities for our SFDR Article 8 compliant funds are documented in the initial and final Portfolio Management memoranda. Where due diligence uncovers significant ESG related risks, the Investment team considers mitigating measures and seeks approval from our

ESG Committee. In addition, we ask all our borrowers to complete a comprehensive ESG Questionnaire at the time of the investment, providing us with granular information to further assess their ESG profile. The first questionnaire forms a baseline against which we assess the borrower's progress toward more sustainable practices.

Those involved in ESG include Portfolio Managers, the Credit Team and the Origination Team, who collect the ESG questionnaire responses. In addition, Pemberton has an ESG Committee meets quarterly and whose objectives are: to oversee management's execution of the ESG strategy and ESG policies and their regular reviews whilst having regard to the Article 8 Categorisation Policy and the SDFR Compliance Policy; oversee the activities of the ESG Working Group and delegate the day-to-day adherence of ESG PRI requirements to the group. The Committee will monitor developments and compliance with emerging best practice approaches to ESG and provide insight against Pemberton's strategy. Review and approve significant ESG related risk factors uncovered by due diligence.

We work with our borrowers to highlight areas with room for improvement to support them on their journey towards more sustainable business practices. We monitor year-on-year ESG performance of our portfolio companies as well as incentivise borrowers to collect and share key ESG KPIs by starting to track specific KPIs and/or improve the data quality.

Item 9 Disciplinary Information

There is nothing to report.

Item 10 Other Financial Industry Activities and Affiliations

Group structural conflicts of interest

Our participating affiliates are PAMG and PCAF. Each, under the terms of a participating affiliate agreement ("PAA"), provide us with research, advice, and recommendations on loans for a fund or compartment. (Aside from this, they provide assistance in identifying loan prospects in Europe.) The PAA is structured based upon no-action letters issued by the SEC Staff. The individuals that perform services for us under the PAA are Geoffroi de Saint Chamas, Guillaume Farges, Valentine Guezenc, Juergen Breuer, Ralph Hora, Nils Weber, Hendrik Falke, Guillaume Goarin, Boris Harmsen, and Adrian Grammerstorf are "associated persons". They are subject to certain compliance controls, complying with the personal account trading provisions of our Code of Ethics and keeping records. Our participating affiliates are subject to supervision/oversight, record keeping and information protection requirements.

Each general partner, the IA and the IM have boards of directors. Keith Jones, Chairman, Symon Drake-Brockman, Managing Partner and Hannah Gore-Randall, a non-executive director and an employee of Legal & General Capital Investments Ltd (**"L&G Cap"**), Laura Mason a non-executive director and employee of Legal & General Assurance Society (**"LGAS"**), and Geoffrey Timms (Observer only), sit on the PCA Board (**"PCA Board"**), formerly the Executive Management Committee).

Mr Drake-Brockman, Mr Hickey, Mr Dell are Partners of PCA.

Our officers, partners and employees hold multiple roles in two or more of PCA, the IM, and the Holdings. Our partners and staff that perform multiple roles are Mr Drake-Brockman, Mr Jones, Mr Dell and Ms Gore-Randall. This is a conflict of interest.

The IM's IC is comprised of Coen Teppema, a Pemberton Director of the IM, Doug Welch, the IM's Portfolio Management Conducting Officer, and Geoffroi de Saint Chamas a Pemberton Director of the IM and Juergen Breuer, a Partner at PAMG.

To address these conflicts of interest arising out of these multiple roles and having competing interests, disclosure of each conflict is required for all meetings, this is properly recorded; and recusal is required when and as appropriate. As described above there is overlap between the membership of the Board of Holdings, the Board of PAMSA, and the Board of PCA; there is also at least one independent non-executive director on the governing body of each regulated entity in the Pemberton Group who is not a member of the other governing bodies. This helps ensure that the interests of the different governing bodies are substantially aligned but each has an independent voice focused exclusively on the interests of that corporate entity. appropriate steps when required.

L&G Cap, the majority shareholder of Holdings and a shareholder of PCA, has two seats on our Board and Operational Risk and Controls committees, and one seat on our Ethics Committee and Conflicts Committee. Legal and General Assurance Society Limited ("L&G Assurance"), an affiliate of L&G Cap, was a seed investor in Fund I and in two of the Debt Fund compartments and remains so invested. Legal and General Reinsurance Company Ltd, Bermuda, is also an investor in Fund I. L&G Assurance was a seed investor in PROF. L&G became a seed investor in RSS on 29 November 2022. Through its economic interests and investments in Holdings, PCA and the funds, these Legal & General companies, receive a portion of management and/or performance fees borne by investors in each fund or compartment. Although L&G Cap will not be involved in the day-to-day management of each fund or compartment or a general partner and will not have any decision-making authority with respect to each fund or compartment, L&G Cap has appointed two directors of Holdings and the IA and, through those directorships, has approval rights relating to certain decisions made by those entities (including, among other things, approval rights in respect of the appointment or removal of any external discretionary investment manager of each fund or compartment). L&G Cap can exercise certain voting rights as a shareholder of Holdings and participates in certain committees of the IA and PCA.

These Legal & General companies have other relationships with or interests in other investment vehicles and accounts that give rise to conflicts; one of these can sponsor, advise, undertake, manage or invest in investment vehicles and accounts that pursue investment strategies similar to those of a fund or compartment. Such activities can, where direct competition is involved, affect each fund or compartment. For example, no such company is under an obligation to share any investment opportunity, idea or strategy with each fund or compartment or a Pemberton company. While the existence of a conflict of interest will not necessarily have an adverse impact on each fund or its compartments, a general partner, the IM or PCA, and L&G Cap has incentives to see each fund or compartment succeed. Accordingly, we require L&G Cap, L&G Assurance not to misuse our confidential client information and disclose any conflicts of interest that have an impact on us, the IM or the general partner or a fund or compartment.

Certain Partners and employees invest in or alongside a fund or a compartment named below. they are entitled to a share in the income and capital returns from the fund or compartment in the form of carried interest ("carried interest"), such returns being derived substantially from the fund or a compartment's Portfolio Investments under the terms of the fund or a compartment agreed with investors in the compartment. Distributions of carried interest are subject to a waterfall that permits distributions of carried interest to the carry vehicle only after all the fund's Limited Partners have received amounts drawn down from them and a hurdle rate (which will only occur at the end of the life of a fund or compartment) with an annual compounding as follows:

Fund compartment	Percentage
Compartment 1	4%
SCOF	8%
Fund II	5%
Pemberton Debt Fund Delaware II LP	7%
SCF II (B)	8%
Debt Fund IV USD (Levered)	7%
Debt Fund IV EUR	5%
RSS USD (Levered)	8%
RSS EUR	5%
NAV Strategic	7%
NAV Core	3.5%
SCF III (A)	7%
SCF III (B)	7%
SLF II (EUR)	3.5%

To address this conflict, the waterfall calculation is calculated by the independent fund administrator. Disclosure of carried interest is made in the Information Memorandum and in the Annual Accounts. Once the given hurdle is achieved, payment will only be made at the end of the fund's life.

Investments in a fund or compartment are made by these persons via a "closed to the public" feeder fund but do not make investments in the companies to whom loans are made. To address this conflict of interest, our Code of Ethics imposes controls on all personal account transactions.

The loans and similar assets made by a fund, or a compartment are illiquid and hard to value. Valuations are performed as set forth in Item 5 above.

PCA is able to exercise control and influence over the fund valuation process through the setting of valuation policies and parameters; this conflict is mitigated by the annual external Auditors review of the asset valuation process, methodology and calculations.

A conflict arises on the cost allocation between Group subsidiaries entities. To mitigate this, the Holdings will arbitrate between Group subsidiary entities where there is a conflict.

Fund or compartment conflicts of interest

The fees PCA earns varies between funds providing for an incentive to allocate the assets to some funds in preference to others. This conflict is addressed as PCA recommends an allocation to the IM who has an Allocation Procedure and the IM's IC will make the final decision on allocation.

Conflicts arise where allocations of investments to eligible fund compartments and co-investment vehicles are unfairly made to those that pay higher fees. This is mitigated by three levels of oversight from the Credit Review Committee, Conflicts Committee and the IM's IC.

A conflict arises where Pemberton has multiple relationships with banks. In addition to entering into risk sharing transactions with our RSS fund they will also pursue other lines of business which compete with the RSS Fund limiting investment opportunities to the RSS fund. To mitigate this, the RSS fund will buy assets from banks at arms-length prices and will not tie pricing to any other product or service that may be provided by the same bank.

PCA and other Pemberton companies will seek to recover costs from the fund or compartment which could have been reduced by establishing a best value service or should have been borne by the IM; this conflict is mitigated by the general partners approval on a quarterly basis of the accounts and the fund accounts being audited annually. The Finance Director will prepare quarterly detailed analysis of costs for each client for the PMs and the Management Committee. Moreover, we ensure that client documents are explicit about the costs that may be expensed to the client. A further mitigate is the annual external audit of the funds.

There is an incentive to fund the acquisition of ongoing capital needs via subscription lines which delays the need for investors to make contributions to the fund which can in certain circumstances enhance the fund's internal rate of return. Such borrowings increase the management fees charged the conflict incentive being to increase the amount of borrowing and the amount of time the borrowings remain outstanding. The mitigants are that each fund is a separate legal entity with a dedicated PM who has a fiduciary duty to act in the best interests of its investors. Any potential conflicts are raised to the Conflicts Committee and general partner and the IM.

We organize and syndicate all or part of an investment (a loan) and charge an additional fee for the syndication; to mitigate this, the IM follows the Allocation Procedure and allocations are approved by the IM's IC. All fees payable to Pemberton are disclosed in the relevant Fund legal documents.

Investors can and typically enter into Side Letters, agreements which are directly between an individual investor and the General Partner and typically include certain terms that are specifically agreed upon by the parties in addition to the terms and provisions contained in the Subscription Agreement, Partnership Agreement and Information Memorandum (and Supplement in certain instances). In certain circumstances fund investors can request a side letter with preferential terms over other investors; whilst these side letters are negotiated by PCA, the conflict is mitigated as the terms of any side letter are approved by each fund or compartment's general partner only after review by PCA's COO, Portfolio Managers, Head of Business Development (BD) and external legal advisors. Wherever possible, such letters will not include material terms that unduly favour one investor over another or that would result in unequal treatment of fund investors.

PCA provides investment advice which can involve the recommendation that different funds and different vintages of funds invest at different levels of an issuer's capital structure. As an example, if one Pemberton fund had invested in the first lien loans and another Pemberton fund had invested in the subordinated loans, the two funds could have conflicting motivations should the borrower enter a restructuring. To address the conflicting recommendations, there are three levels of oversight: a review of the potential investment is undertaken by the Credit Review Committee (initial and final review), where a potential conflict is identified, this is escalated to the Conflicts Committee which is composed of the Chairman, CEO, COO, CRO, GRO, CCO, L&G Risk all of whom have a degree of independence from the allocation process; any final investment is then presented to Investment Manager's Investment Committee for approval. A process step plan is implemented for potential investments involving different strategies in different parts of the capital structure or different vintages of the same strategy.

Certain assets held by one fund or compartment can be transferred between different funds or compartments. This form of a "cross trade" gives rise to conflicts of interest. We address this conflict by executing such transfers in accordance with the fund or compartment investment objectives, the General Partner's contractual obligations and subject to connected party transaction requirements. Please see a full description of the mitigation in Item 4 above in the section **Co-investments, capital structure, parallel investments and transfers** under "transfers".

Investment vehicles and advisory and/or management relationships compete with the NAV Fund for the purchase and sale of investment loans. Pemberton can have a pre-existing relationship with an Underlying Issuer with which the NAV Fund is considering transacting. This relationship will impact the manner in which Pemberton conduct a transaction and create conflicts of interest. To address this, Pemberton have implemented mitigants focused on early identification, documentation in the Conflicts Register and avoidance where practicable.

Potential conflicts are disclosed to prospective investors in the Fund PPM; they are discussed and resolved on a case-by-case basis by our senior management via the PCA Conflicts of Interest Review Committee and representatives of Pemberton NAV Financing GP S.à.r.l. (“General Partner”) and PAMSA. The NAV fund also has a separate legal establishment and a dedicated portfolio manager who has a fiduciary duty to act in the best interests of LPs.

Subscription lines and other borrowings constitute compartment or fund expenses which are expected to decrease the net returns of a client. Interest can accrue at a rate lower than the preferred return. There can therefore be an incentive to fund the capital needs of investments with the proceeds of such borrowings instead of drawing down Commitments. In addition, borrowings invested in client investments increase the management fees charged. There can therefore be an incentive to increase the amount of borrowings and the amount of time such borrowings are outstanding. To mitigate this, we have implemented 3 levels of oversight which involve a review by the Credit Review Committee, the Conflicts Committee (where a potential conflict is identified) and PAMSA’s IC, which reviews and approves the final investment.

Conflicts of interest arise when making investments at different levels of an issuer’s capital structure in different funds or compartments or between different vintages of the same strategy. The mitigant is the adoption of three levels of oversight by the Credit Review Committee, the Conflicts Committee and PAMSA’s Investment Committee, as outlined above Item 4 in the section: **Co-investments, capital structure, parallel investments and transfers** under “capital structure”.

A conflict of interest arises when we enter into an advisory agreement with a company that is, or subsequently becomes, a portfolio company of a compartment or fund. There is a conflict of interest when we can enter into an investment on off-market terms as a result of the advisory agreement. To mitigate this conflict, the investment allocation process will be followed at all times. All Working Capital Finance LPs have consented to us receiving advisory fees by executing the Subscription Agreement, which clearly states that Pemberton can have relationships with obligors, is not restricted from entering into advisory relationships and can be paid advisory fees. All investment decisions undertaken by compartments or funds will further be approved by IM’s IC.

Individual conflicts of interest

Partners and employees have confidential client information and can come into possession of inside information. As a fiduciary we must not permit staff to misuse it. This is mitigated through the implementation of policies and procedures to protect confidential information and where practical access to confidential information and information of a price sensitive nature will be restricted to staff with a business need to know and to prevent the misuse of inside information, the maintenance of a restricted list against which all employee personal account dealings are checked. Staff are provided with training on financial crime and market abuse.

Giving or receiving gifts and entertainment may be seen to influence the relationship we have with our suppliers and service providers. Our staff are prohibited from receiving gifts of any kind; entertainment that is

not conducive for business purposes; and hospitality that is not of a reasonable de minimis from counterparties, suppliers and service providers. Staff must also disclose any gifts, entertainment or hospitality offered to them. Before offering gifts, entertainment or hospitality above £100, our staff must obtain preclearance from Compliance. Additionally, No staff may provide a gift or entertainment in excess of the equivalent of U.S.\$10 to a fiduciary of a Benefit Plan Investor without preclearance by the relevant CCO and Group Compliance.

Our staff can engage in outside activities or hold non-executive directorships or shareholdings in third parties with whom we are not affiliated. To address this, we require the disclosure of all outside activities and a consent to engage in them and, where a conflict of interest arises, we can require recusal or the cessation of a relationship.

Discretionary remuneration of our partners and staff is based on the performance of PCA and is determined in accordance with our Remuneration Policy and determined by Holdings' Remuneration Committee (the chair and members of whom are non-Pemberton individuals). There is no link between such remuneration and the performance of each fund or compartment.

Other conflicts

The independence and effectiveness of control functions such as Credit, Operations, Legal, Compliance or Finance are compromised when Partners of PCA or those holding front office functions including Portfolio Management seek to exert pressure or influence over individuals in these Control Functions. Steps have been taken to align reporting lines and ensure control functions are adequately represented on governing bodies. All decisions are subject to appropriate levels of review and any instances of influence are subject to review.

The independence and effectiveness of front office functions (Portfolio Management, Origination and Credit) to discharge their duties is conflicted when they each seek to exert pressure over individuals in those other functions. All decisions are subject to appropriate levels of review via respective committees and the independent IM. Carried Interest also serves to ensure PMs interests are aligned to fund investors. There is also a whistleblowing policy for reporting in cases of potential undue pressure.

A conflict arises where an external provider has been asked to perform more than one governance role. As a mitigant, contracts for more than one governance role will be signed off by the PAMH Board.

Where partners or employees undertake work on various projects, including other funds, conflicts of interest can arise in allocating employee time and services or functions among such interested parties and the respective funds. It is managed by prioritizing projects and identifying resourcing issues to ensure fair distribution of work where practical.

Certain advisors and other service providers can have established relationships with other Pemberton clients, which can result in more favourable rates or recommendations. To manage this conflict, service providers are required to provide clear fee quotes which are reviewed and agreed by senior management not connected with Pemberton clients.

In the process of developing new products conflicts could arise. To mitigate this, a new product approval form has to be completed identifying the conflicts and the form must reviewed and approved by the Risk and Compliance Committee.

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

As a fiduciary, we owe a duty to our clients to act solely in their best interests. We have adopted a Code of Ethics pursuant to Advisers Act Rule 204A-1. Under our Code of Ethics, officers, partners and employees are “supervised persons”, must comply with the U.S. federal securities laws at all times and act in accordance with standards articulated in the Code of Ethics. We require our participating affiliates to comply with our Code.

The Code of Ethics contains policies and procedures that are designed to address the material conflicts of interest associated with the personal trading activities of “access persons”. These include a personal investment policy to address the conflicts of interest presented by personal trading activities.

Transactions in certain investments are prohibited, while others require a pre-clearance. Additional policies and procedures to help ensure compliance with Rule 204A-1 are in place. These include: the prevention of misuse of MNPI or confidential client information; the delivery of the Code of Ethics and a written acknowledgment of its receipt (initial and annual); analysis of Code activity; initial, quarterly and annual reporting requirements; and a requirement to report promptly any suspected violations of our Code of Ethics. All supervised persons are required to discuss any perceived risks or concerns with the Chief Compliance Officer.

A copy of our Code of Ethics is available upon request.

Item 12 Brokerage Practices

It is not the intention of a fund or compartment to buy or sell securities. We do not engage in any activity that involves brokerage or soft commissions. Nevertheless, on occasion, a loan will be made to a borrower by buying a bond of the borrower (on a private placement basis). That bond would be held as a loan and its redemption would be treated as the repayment of the loan in question.

Item 13 Review of Accounts

We provide credit review for loans on a continuous basis. There are regular meetings to discuss loans, potential loans and other related matters, as well as addressing the conflicts that arise from such activities. Financial statements are subject to an annual audit.

Item 14 Client Referrals and Other Compensation

As we do not provide investment advice in separately managed accounts, we do not have a solicitation or endorsement agreement within the scope of Advisers Act Rule 206(4)-1.

Item 15 Custody

Loan documentation is held by the IM and designated loan agents. Since a fund or compartment does not buy, sell or hold securities and loan documentation is held by independent third parties, we do not have custody as envisaged by Advisers Act Rule 206(4)-2.

Item 16 Investment Discretion

We are a non-discretionary adviser. We provide research and recommendations to the IM for a fund or

compartment to make commercial loans.

We make non-securities hedging decisions for the feeder funds.

Item 17 Voting Client Securities

We exercise our voting rights whenever there is a restructuring that requires different creditor groups to vote on a restructuring plan. Other than this, we do not vote proxies.

Item 18 Financial Information

There is nothing to disclose.