

Item 1. Cover Page

ELMWOOD ASSET MANAGEMENT LLC

Part 2A Form ADV

Firm Brochure



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This brochure provides information about the qualifications and business practices of Elmwood Asset Management LLC (“Elmwood”). If you have any questions about the contents of this brochure, please contact Elmwood’s Chief Compliance Officer, Michael Holland, at (646) 876-2350. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Additionally, registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Elmwood is available on the SEC’s Investment Adviser Public Disclosure (IAPD) website at www.adviserinfo.sec.gov.

Item 2. Material Changes

We have made the following material changes to the brochure since our most recent annual updating amendment was filed on March 31st, 2022, including updates to:

- Contact information to reflect change in Chief Compliance Officer
- Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss
- Item 11 -- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading
- Item 17 – Voting Client Securities

In addition, we have made clarifying updates throughout this brochure.

We recommend that you review this brochure in its entirety.

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Item 4. Advisory Business

A. General Description of Advisory Firm

Elmwood Asset Management LLC (“Elmwood” or the “Firm”) offers investment advisory services primarily focused on credit and value-oriented investments to loan accumulation facilities and collateralized loan obligation vehicles (“CLOs”), both of which are private funds and pooled investment vehicles (each a “Fund” and collectively “Funds”). Elmwood also may provide similar investment advisory services to separately managed accounts (“SMAs”). Funds, together with SMAs, are referred to herein as “Clients” (each individually a “Client”). In addition, Elmwood has entered into a consulting service agreement with Elliott Investment Management L.P. (“EIM”), a registered investment adviser. Elmwood is a Delaware limited liability company formed on May 17, 2018, and is owned indirectly by private funds advised by affiliates of EIM (“Elliott Funds”) and directly by certain members of Elmwood’s management team.

The Funds are organized to be exempt from registration under the Investment Company Act of 1940, as amended, (the “Investment Company Act”). The securities or interests issued by the Funds are expected to be exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”). Each CLO issuer is expected to be organized as a limited liability company or limited partnership pursuant to the laws of a non-U.S. jurisdiction. Each CLO entity is expected to issue rated notes (“Senior Notes”) and non-rated notes (“Equity”, and, together with the Senior Notes, the “Notes”) pursuant to the terms and conditions of an indenture. The Senior Notes issued by each CLO are expected to be secured by a portfolio consisting primarily of leveraged loans selected and managed by a collateral manager.

B. Description of Advisory Services

The Clients to which Elmwood provides investment advisory services invest primarily in U.S. senior secured bank loans. Generally, CLOs are securitization vehicles that pool collateral of primarily below investment grade U.S. senior secured bank loans. Loan accumulation facilities are short- to medium-term facilities often provided by the bank that will serve as the placement agent or arranger on a CLO transaction. Loan accumulation facilities and CLOs are inherently leveraged vehicles and, as such, Elmwood expects to employ leverage in connection with its management of such Funds. Elmwood may also provide investment advisory services with respect to other types of investment strategies. Elmwood’s current investment strategies are described further under “Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss”.

C. Availability of Customized Services for Individual Clients

Elmwood generally enters into a separate investment advisory agreement (or similar agreement, such as a collateral management agreement) with each individual Client that it manages, and each such individual Client is managed in accordance with the investment objectives, strategies, restrictions, and guidelines as such terms are set forth in the applicable agreement or other governing document. As such, because Elmwood only provides investment advice to a Client in accordance with the Client’s governing documents, Elmwood does not provide individualized advice to the underlying investors (and an investment in a Fund does not, in and of itself, create an advisory relationship between the investor and Elmwood). Therefore, each investor must consider for itself whether a Fund meets the investor’s investment objectives and risk tolerance before investing and seek independent legal, investment and tax advice to the extent that the investor has deemed necessary or appropriate.

Elmwood (or an affiliate) is not restricted from entering into separate agreements, commonly referred to as “side letters,” or other similar agreements with one or more different investors in a Fund in connection with such persons’ investment in the Fund (or otherwise) without the approval of any other investor therein. These agreements could have the effect of establishing rights under, or supplementing the terms of, a Fund’s governing documents with respect to that investor in a manner more favorable than those applicable to other investors. The rights or terms in any such side letter or other similar agreement may include, without limitation (1) reporting obligations relating to information concerning the applicable Fund, (2) waiver of certain confidentiality obligations, (3) reduction of fees applicable to such investor, (4) waiver of certain restrictions on the ability of the investor to withdraw or transfer all or part of its investment, or (5) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of

an investor. Certain investors that may have the benefits of a “most favored nation” provision are given the opportunity to elect the rights and terms in any side letter or other similar agreement that are applicable to other investors. As a result, some investors may have more favorable investment terms, including those relating to information and liquidity, than others. If Elmwood grants increased liquidity to an investor, particularly where such an agreement is accompanied by enhanced information about a Fund’s operations or investments (often referred to as “transparency rights”), other investors may be disadvantaged.

Elmwood, in its sole discretion, may offer more favorable terms (e.g., lower investment minimums, reduced or eliminated fees) to its personnel, related persons or others, including with respect to employee-owned vehicles that invest in a Fund or whose valuation is directly linked to the performance of a Fund. Similarly, one or more SMAs managed by Elmwood that pursue the same or a substantially similar strategy as a Fund may have different terms, including different fee arrangements and/or terms similar to those described above, than the relevant Fund.

D. Wrap Fee Programs

Elmwood does not offer or participate in wrap fee programs.

E. Assets Under Management

As of December 31st, 2022, Elmwood had \$13,205,354,715 regulatory assets under management, all of which are managed on a discretionary basis.

To the extent there is a conflict between information provided in this brochure and similar or related information in the governing documents or offering materials of any Fund, the governing document and offering materials shall prevail. In no event should this brochure be considered to be an offer of securities or interests in any Fund or relied upon in determining to invest in any Fund, and it is also not an offer of, or agreement to provide, advisory services directly to any recipient.

Item 5. Fees and Compensation

A. Advisory Fees and Compensation

Elmwood generally receives management fees, incentive fees (or “performance fees”) or both in connection with the investment management and/or collateral management services it provides to Clients. The particular fees applicable to a Client are set forth in the investment advisory agreement applicable to such Client or, in the case of a Fund, are described in the applicable governing documents or disclosure documents, as applicable.

Existing and prospective investors should be aware that Elmwood’s fees may change over time and that different fee schedules may apply if Elmwood adopts new investment strategies or adds Clients in an existing strategy, or a prospective investor negotiates a different fee schedule. Thus, different investors (including those with the same investment strategy), including different investors in the same Fund, may pay different fees based on, among other things, waivers and investment dates.

Elmwood does not maintain a fixed fee schedule for Clients. Specific fee arrangements applicable to any Client are generally subject to negotiation in Elmwood’s sole discretion based on, among other factors, the nature of the strategy and services to be provided by Elmwood, total market value invested with Elmwood, regulatory and reporting requirements, requested customization, and any other relevant factors, including employment or familial relationships with Elmwood, its affiliates, or the principals thereof. Fees may be calculated based on various factors, including in the case of certain Clients, the total principal amount of assets held by the Client.

Management Fees. CLO management fees are generally structured such that a portion of the fee is payable as a senior management fee and another portion is payable as a subordinated management fee. The senior management fee has a higher priority in a CLO’s priority of payment waterfalls whereas the subordinated management fee generally ranks below principal and interest payments to senior note holders in the payment waterfalls. Management fees in respect of other Clients may vary from Client to Client as described above and may be based on a Client’s total assets, net assets, aggregate principal amount of loans held, or any other basis, or a combination of any of the foregoing.

Incentive Compensation (Performance-Based Compensation). Elmwood may receive incentive fees in connection with CLOs for which it serves as collateral manager (and may receive similar performance-based compensation or carried interest in connection with other Clients in the future). Such compensation constitutes a percentage of a CLO’s cash flow in excess of a specified preferred return or hurdle rate for the CLO. The specific performance-based compensation, payment terms, and calculation and valuation methods applicable to a CLO are described in such CLO’s governing documents.

B. Payment of Fees

Management fees are deducted from each CLO’s assets quarterly. Investors do not have the ability to choose to be billed directly for fees incurred. Incentive Compensation is paid following the satisfaction of certain investment performance criteria.

C. Additional Fees and Expenses

Consulting Fees

Elmwood may be compensated for consulting services subject to the scope and terms of individual consulting service arrangements.

Other Expenses

Each Client will pay certain other fees, expenses, and costs (in addition to the Firm’s management fees and performance-based compensation, if applicable). Such fees, expenses and costs will typically include, but are not limited to: fees, costs and expenses related to the purchase, holding and disposition of assets (to the extent not reimbursed); research expenses, consultants, operator or servicer fees; due diligence related to the analysis, monitoring

or valuation of investments, including transactions not consummated; costs and expenses related to indebtedness incurred by a Client; taxes, fees or other governmental charges levied against a Client; investment-related expenses; auditing and tax preparation expenses; custodial expenses; brokerage commissions or fees; professional fees; expenses related to rating agencies and preparing reports to investors; reasonable travel expenses undertaken in connection with Elmwood and its employees performing their duties; fees and expenses of accountants and counsel; costs of insurance; litigation and indemnity expenses; the cost of asset pricing and asset rating services, compliance services, software, accounting, programming and data entry costs associated with Elmwood's investment activities; costs of dissolving and winding up investment programs; and other extraordinary expenses. In the case of each Client, a more detailed description of the expenses borne by the Client will generally be included in such Client's governing documents. In certain cases, as described in the applicable governing documents, certain of such expenses may be paid to Elmwood or its affiliates based on the extent of services provided by them to a Client (e.g., certain administrative and compliance expenses, software-related expenses and overhead of Elmwood or its affiliates).

Certain of the expenses borne by a Client may also be incurred by, or allocable to, other Clients or Elmwood. Therefore, from time to time, Elmwood will be required to determine how certain costs and expenses are to be allocated among multiple Clients and Elmwood or both. This analytical process is inherently subjective and Elmwood may be viewed as biased in making such determinations. The allocation of expenses presents an inherent conflict of interest, as different allocations would result in Clients and Elmwood bearing more (or less) expenses. To the extent a Client, on the one hand, and Elmwood or one or more other Clients, on the other hand, incur costs or expenses that are applicable to more than one of them, Elmwood will allocate such costs and expenses in a manner that it determines to be fair and reasonable, taking into account the applicable facts and circumstances, notwithstanding its interest in the outcome. Elmwood may also make corrective allocations should it determine that such corrections are necessary or advisable.

D. Prepayment of Fees

To the extent any fees are paid in advance, Elmwood will provide the applicable Client a pro rata refund if Elmwood is terminated as investment manager prior to the end of a payment period, in accordance with terms of the Client's governing documents.

E. Additional Compensation and Conflict of Interest

Neither Elmwood nor any of its supervised persons accepts compensation (e.g., brokerage commissions) for the sale of securities or other investment products.

In addition, Elmwood has a conflict of interest where a service provider (e.g., legal counsel or accountants) provides services directly to Elmwood or one of its affiliates, and separately provides services to one or more Clients, in that Elmwood or an affiliate thereof may potentially obtain services at a lower cost than it otherwise could have as a result of the service provider's work performed on behalf of, and the compensation paid to the service provider by, such Clients. In particular, unless inconsistent with applicable governing documents, costs associated with services rendered to the benefit of a Client may be borne by such Client. Elmwood and its affiliates may use some of the same service providers as are retained on behalf of one or more Clients and, in some cases, fee rates, amounts or discounts may be offered to Elmwood and its affiliates by a third party service provider which differ from those offered to a Client as a result of scheduled or ad hoc rate changes, differences in the scope, type or nature of the service or transaction, alternative fee arrangements and negotiation.

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

As noted above under “Item 5 – Fees and Compensation – Fees”, Elmwood may receive incentive fees in connection with the CLOs for which it serves as collateral manager (and may receive performance-based compensation with respect to other Clients in the future), which compensation, in each case, is based on a share of cumulative profits.

Elmwood’s receipt of performance-based compensation raises certain conflicts of interest, which are described below.

Investment Selection

Performance-based compensation and other arrangements where the incentive to achieve gains may exceed the disincentive to suffer losses may cause Elmwood to choose investments that are riskier or more speculative than might otherwise have been chosen, or than would otherwise be prudent, in an effort to generate higher performance-based compensation.

Side-by-Side Management

Certain Clients managed by Elmwood may not be subject to performance-based compensation. In addition, some Clients that are subject to performance-based compensation may have different calculation methodologies from other such Clients (e.g., certain Clients may be subject to a “preferred return” or “hurdle” amount). To the extent Elmwood manages multiple Clients with different calculation methodologies, rates of performance-based compensation, or preferred returns or hurdle amounts, or manages one or more Clients that are not subject to performance-based compensation, Elmwood has an incentive to favor Clients that are subject to performance-based compensation or that otherwise have more achievable preferred returns or hurdle amounts, over those Clients that are not subject to performance-based compensation or that are not otherwise subject to a preferred return or hurdle amount. This conflict is most apparent where two Clients follow the same, or a similar, investment strategy.

Elmwood, its affiliates, and its personnel may have differing investment or pecuniary interests in various individual Client strategies, particularly where Elmwood or an affiliate holds a significant investment in an individual Client strategy. Elmwood will face a conflict of interest when (1) the actions taken on behalf of one Client may impact other similar or different Clients (e.g., because such Clients have the same or similar investment strategies or otherwise compete for investment opportunities, have potentially conflicting investment strategies or investments, or have differing abilities to engage in short sales and economically similar transactions), and (2) Elmwood and its personnel have differential interests in such Clients. In such case, Elmwood has an incentive to favor certain individual Client strategies over others that may be less lucrative to Elmwood, its affiliates, or its personnel. Such conflicts present particular concern when, for example, Elmwood places or allocates the results of transactions that Elmwood believes could more likely result in favorable performance or when Elmwood engages in a cross transaction.

Certain Elmwood Clients have targeted investment strategies, objectives and risk parameters described in underlying Client documentation. As a result, some Client strategies might have less flexibility to invest. In cases where there is a limited investment offering, an individual Client might receive a larger allocation or an entire allocation of a specific investment opportunity where Elmwood determines, in its reasonable discretion, that the specific opportunity aligns with a Client’s specific investment target, investment guidelines, target returns or risk parameters. Applying these considerations can result in a non-pro rata allocation of a specific investment opportunity to some Clients when other clients receive a smaller allocation or none.

Additional information on such conflicts of interest is included in “Item 10 – Other Financial Industry Activities and Affiliations”, “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” and “Item 12 – Brokerage Practices”. To mitigate the conflicts discussed in this Item 6, Elmwood’s policies and procedures seek to provide that investment decisions are made in accordance with the fiduciary duties owed by Elmwood to its Clients and in accordance with applicable law, without consideration of Elmwood’s or its affiliates’ or its personnel’s pecuniary, investment or other financial interests. Furthermore, as discussed in more detail in “Item 12 – Brokerage Practices – Allocation of Investment Opportunities”, Elmwood has adopted a policy with respect to the allocation of investment opportunities that is designed to allocate investment opportunities to Clients in a manner it deems to be fair and equitable taken as a whole.

Item 7. Types of Clients

As described in Item 4 “Advisory Business”, Elmwood advises CLOs and in the future may advise SMAs. In addition, Elmwood has established loan accumulation facilities that will provide loans for CLOs. Investors in certain loan accumulation facilities and CLOs include Elmwood affiliates. Other CLO investors may also include banks, family offices, endowments, pensions, and other institutional investors.

In general, investors in Funds must be (1) (a) “accredited investors” under Regulation D under the Securities Act (and generally limited to institutional accredited investors), and (b) “qualified purchasers” under Section 2(a)(51) (A) of the Investment Company Act or “knowledgeable employees” under Rule 3c-5 under the Investment Company Act or (2) not “US Persons” as defined under Regulation S of the Securities Act, for Funds domiciled outside of the US. In some cases, investors in a CLO may be required to be “Qualified Institutional Buyers” as defined by Rule 144A under the Securities Act.

Minimum investment amounts for Funds are set forth in the fund documentation. Minimum amounts for SMAs will be individually negotiated with clients with Elmwood making a determination of the appropriate minimum amount taking into account, among other things, the nature of the investment strategy and investment objective. Accordingly, there is no set minimum amount for SMAs and such amounts could vary.

Possible Future Activities

Elmwood and its affiliates may expand the scope of their businesses and the range of services they provide which could include businesses or investment vehicles which compete with Clients and Clients should expect to receive no benefit from the fees or profits derived from the future activities or other businesses of Elmwood. There are limited restrictions on Elmwood’s ability to do so even if such activities could give rise to conflicts of interest.

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

Below is a general summary of Elmwood's primary investment focus, the Firm's investment process and certain related material risks and conflicts of interest. In the case of a Fund, more information on the investment process and the related risks can be found in applicable governing documents.

A. Methods of Analysis and Investment Strategies

Elmwood's investment strategy focuses primarily on investments in senior secured leveraged loans, and, to a lesser extent, corporate bonds. Additional related instruments may be included when implementing the investment strategy for a Client to the extent consistent with associated Client documentation. Elmwood employs an investment approach focused on fundamental credit analysis supported by relative value analysis within an active portfolio management framework. Elmwood's fundamental credit analysis on individual investment opportunities may include, but is not limited to, an evaluation of historical performance, industry dynamics using a Porters Five Forces Framework, asset coverage, Elmwood's proprietary ESG scoring methodology, projected cash flows, capital structure, underlying market liquidity, quality of underlying collateral, structural protections such as covenants and relative value within an obligor's capital structure or the broader market. Elmwood screens for potential investment opportunities utilizing information provided by obligors, investment banks, market participants as well as contracted service providers and expert networks. As part of the research process, Elmwood may engage third-party firms to assist with legal, valuation, tax, accounting, and other diligence. In implementing its investment strategy and as consistent with underlying Client documentation, Elmwood considers investments in bank loans, subordinate and unsecured debt obligations, revolvers, and bridge loan facilities. Elmwood participates in the primary and secondary markets of the above listed investments through its network of underwriting banks and sales and trading desks at sell side counterparties.

Over time, Elmwood expects to increase the breadth of its services which would broaden its focus to other asset classes and investment products, including but not limited to public equity, private equity, claims, and derivatives.

While Elmwood seeks to manage each Client so that risks are mitigated and appropriate to the return potential for the strategy employed on behalf of each Client, all investing comes with a risk of loss that Clients should be prepared to bear. There can be no assurance that Elmwood's investment strategies will be successful, that investors will achieve individual investment objectives or that losses will be prevented. Investors should be aware that an individual Client strategy may be limited to certain types of investments and may not be diversified. An investment in an individual Client strategy managed by Elmwood is not a complete investment program. Investors are responsible for appropriately diversifying their assets to guard against the risk of loss. In addition, individual Client investment strategies may have limited liquidity and present a high degree of risk that underlying investors should be prepared to bear. Investors should understand that they could lose some or all their investment and should be prepared to bear the risk of such potential losses. Investors should consider the following risk factors in analyzing the merits and suitability of Elmwood's strategies. The following is not intended to be a comprehensive summary of all the risks associated with Elmwood's strategies. Instead, the following are risks that Elmwood believes are material. More detailed information regarding each Fund and related risks are included in each Fund's governing documents.

B. Material Risks Relating to Investment Strategies and Techniques

Each Client is subject to certain general risks that include, but are not limited to, operational risk, political risk, regulatory risk, and economic risk. Certain events specific to each obligor underlying an investment held by a Client may have a significant negative impact on the profitability or fair market value of a Client's investments. Such events are beyond Elmwood's control and the likelihood they may occur and the potential impact on a Client or an investor cannot be predicted. In addition to these general risks, the investments made by a Client are subject to certain investment-related risks as described below.

Conflicts of Interest

Elmwood is responsible for investment decisions made on behalf of Clients. There are no restrictions on the ability of Elmwood to manage multiple Clients or provide consultancy services for affiliates of Elmwood or their directors, officers, or employees (including EIM and/or the Elliott Funds), following the same, similar, or different investment

objectives, philosophies, and strategies as those used for any Client. In these situations, Elmwood has a conflict of interest in presenting investment ideas and allocating investment opportunities between one or more Clients. See “Order Aggregation” under “Item 12 – Brokerage Practices” below. Such conflicts of interest would be expected to be heightened to the extent Elmwood manages a Client or provides consultancy services for an affiliate or its directors, officers, or employees (including EIM and/or the Elliott Funds). Additionally, a Client managed by Elmwood or certain of its affiliates may hold an investment in a CLO managed by Elmwood or hold investments in the same issuer as another Client of Elmwood or its affiliates (including the Elliott Funds), including investments at different levels of the capital structure and any other investments relevant to Elmwood’s Clients. For example, pursuant to its consultancy agreement with EIM, Elmwood may consult with EIM on investment ideas that Elmwood believes are outside the investment mandate of the Funds. These ideas may result in the Elliott Funds investing in the same companies whose loans are held by the Funds. In such cases, when exercising the rights of each Client with respect to such investments, Elmwood and/or its affiliate will have a conflict of interest as actions on behalf of one Client may have an adverse effect on another Client managed by Elmwood or such affiliate.

In addition, the Elliott Funds invest in CLO securities and related investments. Accordingly, EIM and/or the Elliott Funds may from time to time invest in companies competing with Elmwood or in CLOs managed by third party investment managers who compete with Elmwood. Such companies and such third party managed CLOs would generally be expected to compete for investment opportunities with the Funds.

Interest Rate Risk

The fair value of a Client’s investments may be significantly impacted by changes in interest rates. Although loans are generally floating rate instruments, a Client’s investments in loans on a direct or indirect basis are sensitive to interest rate levels and volatility. Furthermore, in the event of a rapidly rising interest rate environment and/or economic downturn, loan defaults may increase and result in credit losses that may adversely affect the cash flows from investments held in a Client portfolio, fair value of a Client’s assets and operating results. In instances where fixed income instruments are allowable investments in Client portfolios, the fair value of a Client’s investments may be impacted by a change in interest rates. Prices on fixed income instruments move inversely to interest rates. Thus, an increase in interest rates can expose Client investments in fixed income instruments to potential losses.

Although CLOs are generally structured to mitigate the risk of interest rate mismatch, there may be some difference between the timing of interest rate resets on the assets and liabilities of a CLO. Such a mismatch could have a negative impact on the amount of funds distributed to CLO equity investors. In addition, CLOs may not be able to enter into hedge agreements, even if it may otherwise be in the best interests of the CLO to hedge such interest rate risk.

Discontinuation of LIBOR

It is expected that the U.S. dollar London Interbank Offered Rate (“LIBOR”), which is commonly used as a reference rate within various financial contracts (any such rate, a “Reference Rate”), will not be published on a representative basis after June 30, 2023 (other than the one-week and two-month tenors, which have not been published on a representative basis since the end of 2021). In anticipation of the end of LIBOR, the United States and other countries are currently working to replace LIBOR with alternative Reference Rates. The Secured Overnight Financing Rate (“SOFR”) is the Reference Rate formally recommended by the Alternative Reference Rates Committee (the “ARRC”). The ARRC and regulators have stated that any party choosing another Reference Rate should do so carefully. As a general matter, the expected discontinuation of LIBOR may significantly impact financial markets; specifically, discontinuation may impact financial contracts to which a Client is a party. Generally, the transition to alternative Reference Rates may (i) cause the value of a Reference Rate to be uncertain or to be lower or more volatile than it would otherwise be; (ii) result in uncertainty as to the functioning, liquidity or value of certain financial contracts; (iii) involve actions of regulators or rate administrators that adversely affect certain markets or specific financial contracts; and (iv) impact the strategy, products, processes, legal positions and information systems of market participants, including a Fund and its counterparties. With respect to financial contracts to which a Client is a party, any such contract that has a maturity that extends beyond June 2023 and uses LIBOR as a Reference Rate (other than contracts that include curative fallback language or which have other curative mechanisms) may need to be renegotiated, the process of which will consume resources of a Client and may result in disputes among counterparties, the result of which may be adverse to a Client. Considered in its entirety, the impact of the transition on financial markets generally and on the specific financial contracts to which a Client is a party may ultimately adversely affect the performance of a Client.

Counterparty and Participation Risk

Clients can have exposure to the counterparties with whom Elmwood trades. In the event of a default of a trading counterparty, investors should expect significant delays in obtaining a recovery (if any) in such circumstances. Additionally, interest in loans might be acquired by purchasing a participation from a selling institution. Participation interests are structurally different than owning a direct interest in a loan investment, known as an assignment. Participation interests create a contractual relationship with the selling institution and not directly with the borrower as in the case of an investment in a loan through an assignment. In addition, a holder of a participation typically has the right to receive payments of principal, fees and interest but will typically forego the right to enforce compliance on the borrower with the terms of the underlying loan credit agreement or vote on waivers and amendments. Thus, under a participation arrangement the participation holder will own credit risk of both the underlying obligor and the selling institution.

Prepayment Risk

Investments in leveraged loans generally are subject to pre-payment in whole or in part at any time at the option of the obligor, at par plus accrued interest. Prepayments generally may occur at any time without premium or penalty. Prepayment rates are influenced by changes in interest rates or credit spreads and a variety of other factors that are difficult to predict and beyond Elmwood's control. Loans may be prepaid more quickly than expected. Early prepayments give rise to increased reinvestment risk as a Client might realize excess cash from prepayments earlier than expected. If a Client is unable to reinvest such cash in a new investment with an expected interest rate equal or greater than that of the investment repaid, then this may reduce a Client's net income. Further, there is risk of capital loss for loans purchased at a price above par in the event of a par pre-payment by the underlying obligor.

Reinvestment Risk

As part of the ordinary management of a portfolio, Clients will typically generate cash from asset repayments and sales and reinvest those proceeds in substitute assets, subject to Client documentation and underlying compliance rules. The earnings with respect to such substitute assets will depend on the quality of reinvestment opportunities available in the marketplace at the time. Client documentation and market conditions at the time may result in substitute assets that have a lower yield profile. This could reduce a Client's return on investment and may have a negative effect on the fair value of a Client's assets.

Leverage Risk

A Client may incur, directly or indirectly, through one or more special purpose vehicles, indebtedness for borrowed money, as well as leverage in the form of derivative transactions and other structures and instruments, subject to a Client's governing documents and restrictions. Such leverage may be used for the acquisition and financing of a Client's investments, to pay fees and expenses and for other purposes. Such leverage may be secured and/or unsecured and senior and/or subordinated. Losses incurred on leveraged investments will increase in proportion to the degree of leverage employed. Accordingly, any event that adversely affects the value of an investment would be magnified to the extent leverage is utilized. A Client's ability to service any debt that a Client utilizes to effectuate leveraged investments will depend on the Client's financial performance. In addition, any debt facility into which a Client may enter can under certain conditions or as a regular course of business impose financial and operating covenants that restrict that Client's business activities, including limitations that could hinder the Client's ability to finance additional loans and investments.

Lower-Rated Investments Risk

Exposure to senior secured, unsecured, and subordinated debt instruments issued by obligors in the leveraged finance markets will result in a Client obtaining direct or indirect exposure to lower rated debt obligations. Instruments rated lower than Baa by Moody's or lower than BBB by S&P or Fitch are sometimes referred to as "high yield" or "junk." Below investment grade rated debt obligations have greater credit and liquidity risk than investment grade obligations. The lower rating reflects a greater possibility of adverse changes in the financial condition of an issuer, and/or general

economic conditions, which in isolation or combination may impair the ability of the issuer to make payments of principal or interest.

Liquidity and Settlement Risk

The instruments that Elmwood intends to acquire for Client portfolios generally have limited liquidity which can decrease in certain market environments due increased levels of market volatility the cause of which is not always apparent or predictable. As a result, prices of such investments have, at times, experienced significant and rapid decline. In addition, Client portfolios may have difficulty disposing or may be unable to dispose of certain investments because there may be a limited or no market available for such investments. Reduced secondary market liquidity would have an adverse impact on the fair value of the applicable investments and the direct or indirect ability to dispose of investments in response to a specific economic event such as deterioration in the creditworthiness of the underlying obligor of such investments.

Secondary market trading convention and the physical settlement process for leveraged loans results in longer settlement periods compared to other credit markets such as investment grade corporate bonds that typically settle trade date plus two days. Loan settlement can also be slowed by delayed consent of the agent and/or obligor. Because information relating to loan obligors and investments can exist outside of general/public domain, the unique settlement process for loans, and the private syndication of loans, loans are not purchased or sold as easily as publicly traded securities are purchased and sold. Leveraged loan settlement periods in both the primary or secondary market can extend to seven days or more predicated on several factors beyond the control of the underlying investor. Thus, counterparties in leveraged loan transactions, including individual Client strategies, can be subject to ongoing market risk during protracted settlement cycles. In addition, the manual and extended nature of the leveraged loan settlement cycle can increase operational risk and subject investors to potentials risks to changes on the terms of the loan such as the underlying LIBOR rate or components of the credit agreement.

Other investments a Client may purchase in privately negotiated transactions may also be illiquid or subject to restrictions on their transfer. As a result, a Client's ability to sell specific investments in a timely manner, or at all, may be limited, which could prevent a Client from making sales to mitigate losses on such investments.

Credit Risk

If a loan or any other type of credit investment in a Client's portfolio declines in price or fails to pay interest or principal when due, a Client's income and NAV may be adversely impacted. Non-payment on investments could result in a reduction of a Client's NAV, income or, in the case of a CLO, the potential reduction in rating and the value of the applicable CLO security. To the extent that the credit rating assigned to an investment in a Client's portfolio is downgraded, the market price and liquidity of such security may be adversely affected.

Default Risk

In the event of a default, bankruptcy, insolvency related to an issuer of a loan or other instrument in a Client portfolio, the associated borrower often ceases to fund its debt obligations as they become due. Under such circumstances the borrower can become subject to restructuring negotiations which can result in, among other items, the reduction of interest rates, a write-down of principal, an alteration of the terms or covenants related to the defaulted obligation, which in isolation or in totality could be substantial including the potential for the borrower to issue equity in exchange for the original debt obligation in whole or in part. Although loans are often secured by perfected liens on underlying collateral, potential losses can stem from a default, foreclosure, or liquidation process. Among other items, the value of the underlying collateral, the financial prospects for the original obligor and the priority of the lien will determine the potential recovery of the defaulted debt instrument. There is no assurance that the collateral will be sufficient to satisfy the entire outstanding balance of principal and interest on a defaulted instrument, resulting in possible loss of all or part of an investment in a Client portfolio.

Concentration Risk

The investment strategies intended to be implemented by Elmwood for Clients focus on certain types of investments. Although Elmwood will regularly monitor the concentration of a Client's investment portfolio and its exposure across

industries, countries, obligors and other similar factors, concentrations of exposure may arise in a Client's portfolio. Any concentration to any individual obligor, industry or country could result in meaningful losses to a Client.

Cybersecurity

The Firm, its portfolio investments, and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs, and data from both intentional cyber-attacks as well as unintentional activities. A cybersecurity breach could expose both the Firm and Clients to substantial costs (including, without limitation, theft, system failures and other interruptions to the Adviser's normal business activities, unauthorized use of proprietary information, litigation, adverse investor reaction, and reputational damage), civil liability, as well as regulatory inquiry and/or action. While the Firm has established risk management strategies, systems, policies, and procedures that seek to prevent cybersecurity breaches, there are inherent limitations in such plans, strategies, systems, policies, and procedures, including the possibility that certain risks have not been identified. Furthermore, the Firm and Clients cannot control the cybersecurity plans, strategies, systems, policies, and procedures put in place by other service providers to Clients and/or the issuers in which Clients invest.

Assumption of Catastrophe Risks

A Client may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which a Client invests (or has a material negative impact on the operations of Elmwood or its service providers), the risks of loss can be substantial and could have a material adverse effect on a Client and the investments therein.

Material Non-Public Information

Loans are negotiated, structured, administered, and as the situation arises, amended on the basis of the obligor providing its lenders with confidential information about the borrower's business and financial condition. At times, such information contains material, non-public information ("MNPI"). Elmwood is prohibited from improperly disclosing or using MNPI in connection with the purchase or sale of a security for its benefit or for the benefit any other person, including Clients. It is not uncommon for transactions to occur in the loan market on the basis of asymmetrical information (i.e., one loan participant has public information while its counterparty has MNPI) and Elmwood will be trading in loans with counterparties who have access to MNPI while it does not and *vice versa*. Elmwood can elect to participate on either the "public" or "private" side of an issuer's information barrier, however, Elmwood often operates on the public side to avoid securities trading restrictions, even though access to such information would be potentially advantageous to Clients investing in loans. Elmwood does not maintain internal information barrier policies. As such, the receipt by any person, (with the possible exception of members of the Compliance team) within Elmwood of MNPI will likely be imputed to all of Elmwood. Actions taken by Elmwood with respect to MNPI may result in Elmwood abstaining from making an investment or taking action which, it might have otherwise pursued, which may be to the benefit or detriment of a particular Client. For example, Elmwood may decline to accept MNPI with respect to an investment held by one individual Client strategy to avoid being restricted with respect to that investment opportunity in other individual Client strategies. Conversely, Elmwood may elect to accept MNPI even though doing so restricts existing positions of Clients.

C. Material Risk Associated with Particular Type of Securities

General Risks of Investing in Bank Loans

Investors may obtain exposure to underlying bank loans directly or indirectly through investments in CLOs. Such loans are considered higher risks than other types of investments given the higher default rate compared to other asset classes. As a result, there can be no assurance that the ultimate recovery on a defaulted instrument will not result in a loss, adversely impacting a Client.

General Risks of Investing in bonds

Investors may obtain exposure to bonds which can be regarded as speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions, which may result in volatile pricing. A continued economic recession could severely disrupt the market for most bonds and may have an adverse impact on the value and price of such instruments. It is also likely that any such economic downturn could adversely affect the ability of the issuers of such bonds to repay principal and pay interest thereon and increase the incidence of default for such bonds, which may decrease the amount available to pay principal and interest. Please also see Item 8.B. – Interest Rate Risk for additional information.

General Risks of Investing in CLOs

Investments in CLO securities involve many risks. CLOs are backed by an asset or a pool of assets (typically senior secured loans and other credit-related assets) which serve as collateral. Investors in CLOs bear the credit risk and performance of the underlying collateral. The value of interest in CLOs generally will fluctuate with the financial condition of the obligors in the underlying portfolio of assets. If there are defaults or the relevant collateral otherwise underperforms, scheduled payments to senior tranches of such securities take precedence over those of mezzanine tranches, and scheduled payments to mezzanine tranches take precedence over those of subordinated/equity tranches. Interests in CLOs are issued on a non-recourse basis. Holders of CLO interests must rely on distributions or proceeds from collateral for value. Thus, holders of CLOs bear the risk that distributions and proceeds from collateral assets will not be adequate to make interest or other payments. Investments in CLO equity and junior debt tranches bear greater risk given subordination to other senior classes of CLO debt. If a CLO has an event of default as a result of failing to make payments when due or for other reasons, the CLO could be subject to the possibility of liquidation, which could result in full loss of value to the CLO equity and junior debt investors. Subordinated interests in CLOs can be less liquid than senior interests and many other types of securities in addition to exhibiting more volatility than the assets underlying the CLOs. In addition, CLOs may be subject to prepayment risk.

Risks of Investing in Loan Accumulation Facilities

An investor may invest capital in loan accumulation facilities, which are typically provided by a bank that may or may not act in a capacity as the placement agent or arranger on a CLO transaction. Loan accumulation facilities allow for investment in leveraged loans often with the goal of ultimately transferring the investments into a CLO securitization. Investments in loan accumulation facilities have risks that are similar to those applicable to investments in CLOs and may have additional risks associated with margin requirements tied to the market value of invested assets held in the facility. There are no assurances that the future CLO will be consummated or that the loans held in such facilities are eligible for purchase by the CLO. In addition, an investor may have limited or no consent rights in respect to the loans acquired in such a facility. If a planned CLO is not consummated or if the assets held in a loan accumulation facility are not eligible for purchase by the CLO, an investor may be responsible for either holding or disposing of the investments. This could expose an investor to credit and/or mark-to-market losses, and other risks.

Derivative Transactions Risk

Derivative transactions involve various risks including, but not limited to, imperfect correlation between the value of the derivative instrument and the theoretical value of the underlying reference asset, counterparty risk, illiquidity, and regulatory risk. In addition, a small investment in derivatives could have a large impact on performance given embedded leverage risks. Derivatives can also be subject to a variety of contractual terms, including a provision for an "early termination event" that might allow a counterparty to liquidate a position before maturity. Certain derivatives are exchange traded or subject to central clearing processes, which are intended to reduce counterparty risk in addition to increasing transparency and liquidity. However, exchange trading and central clearing does not eliminate risks associated with derivatives.

Item 9. Disciplinary Information

Neither Elmwood nor any of its officers, directors, or employees has been subject to any disciplinary event that is required to be reported.

Item 10. Other Financial Industry Activities and Affiliations

A. Broker Dealer Registration Status

Elmwood and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

Elmwood and its management persons are exempt under 4.13(a)(3) from registering with the Commodity Futures Trading Commission and thus, are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

C. Material Relationships or Arrangements with Certain Related Persons

Elmwood is affiliated with EIM, and a member of Elmwood's Board of Managers is an employee of EIM. As mentioned previously, Elmwood is majority owned by private funds advised by affiliates of EIM. EIM is an SEC registered investment adviser (SEC File No. 801-119969). More information about EIM may be found at www.adviserinfo.sec.gov.

Certain conflicts of interest related to transactions between affiliated entities of Elmwood are discussed in Item 8 – Conflicts of Interest and Item 11.B – Material Financial Interest Transactions. In certain situations, these may be deemed to be “Principal Transactions” and will be conducted in accordance with Section 206(3) of the Advisers Act, and the rules thereunder.

D. Material Relationships or Arrangements with Certain Related Advisers

Elmwood does not recommend or select other investment advisers for its Funds.

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

A. Code of Ethics and Personal Trading

Elmwood has a code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act.

The Code requires Elmwood employees to act in the best interest of Elmwood’s Clients. In addition, it requires personnel to act in good faith and is designed to address conflicts of interest including those related to personal trading. Elmwood employees are required to comply with all applicable provisions of federal securities laws and promptly report to Elmwood’s Chief Compliance Officer, or another appropriate party, any actual or suspected violations of law by Elmwood, its employees, or affiliates.

To mitigate potential conflicts of interest with Elmwood’s activities on behalf of its Clients, personal securities trading by Elmwood personnel is generally prohibited except for a small number of exempt investment types, trading in accounts as to which the Elmwood person has ceded influence and control, trading that is pre-approved by Elmwood’s Chief Compliance Officer (e.g., selling securities positions acquired prior to joining Elmwood), or as otherwise set forth in the Code. Subject to the conditions of Elmwood’s Code, Elmwood and its employees are not prohibited from investing in funds and vehicles managed by Elmwood.

The Code also addresses outside business activities of employees, conflicts of interest, pre-clearing and reporting of political contributions, provisions relating to handling confidential information, restrictions on the acceptance of significant gifts and reporting certain gifts and business entertainment items. The Code also includes prohibitions on insider trading and disseminating market rumors.

All employees receive periodic training regarding Elmwood’s policies and related compliance matters. In addition, employees must confirm annually they have read, understood, and complied with the policies and procedures set forth in the Code and Elmwood’s Compliance Manual.

Upon request, Elmwood will provide a copy of the Code to existing or prospective Clients. Requests for a copy of the Code can be directed to Elmwood’s Chief Compliance Officer at the address on the front cover of this Brochure.

B. Material Financial Interest Transactions

Elmwood may recommend that CLOs purchase loan products in which affiliates or clients of EIM have a material financial interest in or may otherwise be invested. Elmwood addresses this conflict of interest referenced in the prior sentence by, among other things, having its CCO pre-approve proposed interactions between Elmwood and EIM concerning any company or security.

Elmwood, from time to time, may affect certain cross trades between and among Clients, i.e., transactions directly between two different Clients. For example, Elmwood might arrange for one Client that is liquidating its portfolio or a particular investment to sell all or part of that investment or that portfolio to another Client, which Client might be ramping up its investment portfolio. In such cases, Elmwood’s interests may conflict with those of the relevant Clients or the interests of one Client participating in the cross trade may conflict with the interests of the other Client participating in that trade. Elmwood has policies and procedures designed to address the conflicts which arise in the context of cross trades and to comply with the applicable requirements of the Advisers Act. Transactions between individual Client strategies owned directly or indirectly by the same investors are not considered to be “cross trades”, as there is no change in actual or beneficial ownership. If a cross trade is a principal transaction, as such term is used under the Advisers Act, due to the ownership interest in a Client, Elmwood will comply with the requirements of Section 206(3) of the Advisers Act.

C. Investing in Securities that Elmwood or a Related Person recommends to Clients

Elmwood’s Code has specific provisions relating to identifying potential conflicts of interest. The provisions prohibit Elmwood employees from directing Client transactions for the purpose of obtaining a personal benefit. They also generally prohibit personal business dealings with Clients without the prior approval of the Chief Compliance Officer.

D. Client Investments and Contemporaneous Trading

Elmwood may, from time to time, be presented with investment opportunities that fall within the investment objectives of one or more Clients, and in such circumstances, Elmwood expects to allocate such opportunities among such Clients in accordance with Elmwood's investment allocation policy and on a basis that Elmwood determines in good faith and is appropriate taking into consideration such factors as (1) the fiduciary duties owed by Elmwood to the Clients, (2) the investment mandates of the Clients, (3) the capital available to the Clients on a trade date and settlement date basis, the size of each Client and the level to which a Client is already invested (e.g., whether a Client is ramping, as may be the case with a loan accumulation facility), (4) any investment restrictions or limitations applicable to a Client whether by contract, regulation or otherwise, and a Client's compliance with such restrictions or limitations, (5) the sourcing of the transaction, (6) the size of the transaction (and any minimum denominations therein), (7) the amount of potential follow-on investment that may be required for such investment in light of the capital available for each Client, (8) reasons of portfolio balance and re-balancing, including obligor, industry and credit rating diversification (among other diversifying factors), (9) portfolio limitations applicable to each Client and a Client's compliance therewith, (10) the relative liquidity of an investment, and (11) any other consideration deemed relevant by Elmwood in good faith. A Client may be prevented from being able to participate in all or a portion of an investment opportunity as a result of regulatory, tax or legal requirement.

Elmwood seeks to allocate investment opportunities among Clients in a manner that is fair and equitable over time. However, there is no assurance that such investment opportunities will be allocated to a Client fairly or equitably in the short-term and there can be no assurance that a Client will be able to participate in all particular investment opportunities that are suitable for it.

Item 12. Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

Subject to Client documentation, Elmwood has the authority to select trading counterparties, investment amount and price when making investment decisions on behalf of its Clients and seek “best execution” in executing transactions on behalf of its Clients. In seeking best execution, Elmwood is not obligated to choose the counterparty with the lowest possible execution cost, but primarily considers whether the transaction represents the best qualitative and quantitative execution under the circumstances.

Elmwood’s strategies focus primarily on credit markets; therefore, Clients generally do not pay commissions in connection with executing transactions but will typically be subject to spreads or other trading costs. Moreover, due to the nature of credit markets and in particular leveraged loans, there is often a limited universe of counterparties offering or making a market in these instruments. Often, there is only one counterparty offering an investment and Elmwood frequently does not have multiple counterparties to select from when making a “best execution” determination. Therefore, Elmwood transacts not only with banks and broker-dealers but will also transact with other participants in the credit markets such as funds and fund managers.

On those occasions when Elmwood can select from more than one counterparty, Elmwood does not expect to solicit competitive bids or always seek the lowest trading costs. Elmwood seeks to negotiate and execute Client transactions in a reasonably efficient manner to seek the best overall qualitative and quantitative execution taking into account factors it deems relevant including, among others, timing, breadth of the market, market conditions, assignment fees, price, financial condition and execution capability of counterparty, the value of research or market color provided and financing rates, when applicable. Therefore, when selecting trading counterparties, Elmwood does not focus on a single factor; rather, it often, but not always, considers the full range and quality of the services of a counterparty. Transaction price can be considered but it is not the sole factor used by Elmwood to evaluate execution.

Elmwood does not have any Client-directed brokerage or formal soft dollar arrangements in place. Elmwood gives consideration to placing transactions with counterparties who provide research and other services to Clients or Elmwood, but Elmwood does not believe that any such activity will generate soft dollars. Research published by counterparties is often provided to and used by Elmwood in providing its advisory services to Clients. Such research and information are often provided free of charge and is not available for sale. Such research includes written or verbal information about specific borrowers, or sectors, market and financial commentary, economic studies, forecasts, pricing services as well as discussions with research personnel and borrower management. Further, Elmwood has an incentive to select counterparties based on a desire to continue receiving such information and services, as doing so saves Elmwood the time and expense of developing such research internally or paying for such research with “hard dollars”. Such information, research, products, or services are not used to service all Clients and are not exclusive to the Clients participating in a particular trade.

In addition, Elmwood uses a variety of counterparties to execute trades, some of which refer Clients or investors to Elmwood. Transacting with a counterparty that makes such referrals can create a conflict because Client or investor referrals benefit Elmwood and not the Clients participating in the trade.

B. Order Aggregation

If Elmwood determines that the purchase and sale of the same investment is in the best interest of more than one Client, Elmwood may, but is not obligated to, aggregate orders to seek to obtain improved execution and reduce transaction costs to the extent permitted by law. Such orders will be placed, and associated transaction costs allocated, in accordance with applicable governing documents for the Clients involved.

With respect to any consulting service agreement with EIM, Elmwood will only present investment opportunities to EIM if Elmwood determines in good faith that (i) the investment opportunity is not appropriate for its other Clients, (ii) its other Clients are restricted or otherwise unable to make the investment, or (iii) its other Clients have received their full allocation of the investment opportunity, taking into consideration each such other Client’s investment mandate, investment restrictions, portfolio diversification, and any other relevant factors.

Conflicting Client Positions

As discussed above in Item 8, Elmwood may face certain conflicts of interest relating to investments in the same issuer taken, directly or indirectly, by different Clients or Elmwood or its affiliates (including the Elliott Funds). Subject to the provisions of the governing documents of the affected Clients, on any matter involving a conflict of interest, Elmwood will be guided by its fiduciary duties to the Clients and will seek to resolve such conflict in good faith. However, if necessary to resolve such conflict, Elmwood reserves the right (subject to applicable laws) to cause one affected Client to take such steps as may be necessary to minimize or eliminate the conflict, even if that would require such Client to (a) forego an investment opportunity or divest investments that, in the absence of such conflict, it would have made or continued to hold or (b) otherwise take action that may have the effect of benefiting Elmwood, any of its affiliates, or another Client and may not be in the best interests of the affected Clients.

Item 13. Review of Accounts

A/B. Elmwood's Co-Chief Investment Officers have primary responsibility for reviewing investments and making decisions on whether to acquire or dispose of Client investments. Elmwood's investment team reviews Client portfolios on a daily basis to monitor performance and compliance with investment guidelines and discuss prospective investments and credit industry and economic news and trends. Typically, such reviews are informal and undocumented at the discretion of Elmwood.

C. Elmwood, through the trustee for each of its CLOs, provides monthly written reports to investors. These reports contain, among other things, information regarding the performance of the applicable CLO and the positions it held as of the date referenced in the report.

Item 14. Client Referrals and other Compensation

Elmwood does not directly compensate any third parties for Client referrals; however, as noted in Item 12, some trading counterparties may provide referrals without compensation.

Elmwood will enter into arrangements with underwriters to distribute Elmwood managed CLO vehicles. As part of the arrangement with an individual underwriter, there is a fee paid for the services the underwriter provides to Elmwood and the underlying CLO vehicle. These services include, but are not limited to, capital introduction and outreach to prospective investors. If Elmwood were to directly compensate any person for client referrals, it will seek to comply with the applicable requirements of the Advisers Act.

Item 15. Custody

Elmwood does not have “custody” (as such term is defined in Rule 206(4)-2 under the Advisers Act) of Client cash, loans, or other securities in the Funds but still maintains policies and procedures to comply with the Custody Rule (Advisers Act Rule 206(4)-2).

Item 16. Investment Discretion

Elmwood has discretionary authority to manage the assets of its Clients. This authority is granted to Elmwood through an investment advisory agreement, or similar agreement, signed by the Client and Elmwood or one of its affiliates. Limitations on Elmwood's discretionary authority are included in such investment advisory or similar agreements, Fund offering documents and/or Elmwood's internal compliance policies and procedures.

Item 17. Voting Client Securities

Due to the nature of CLOs and underlying senior loans, it is very rare for Elmwood to receive a proxy request to vote a security held by a Client. In the event that any Funds or other discretionary Clients come into possession of securities with voting rights, Elmwood has the authority to vote proxies. In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Elmwood has adopted and implemented written policies and procedures governing the voting of Client securities. These policies and procedures include the following:

- Elmwood will review each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the affected Client(s);
- In some instances, Elmwood may determine that it is in the Client(s) best interest to abstain from voting or not vote at all and will do so accordingly;
- Elmwood will vote all proxies in a prudent manner, considering the prevailing circumstances at such time and in a manner consistent with these policies and procedures and Elmwood's fiduciary duty to its Clients; and
- Clients may not direct Elmwood to vote proxies in a particular solicitation.

In addition, as a credit manager, Elmwood occasionally receives a request to consent to waivers or amendments to credit agreements or make elections with respect to corporate reorganizations. Pursuant to its policies, Elmwood will review any such requests with regard to the best economic interests of its Clients over the long term as determined by Elmwood in its reasonable discretion.

Elmwood seeks to avoid conflicts of interest between itself and its Clients. Elmwood Employees must notify the CCO if they are aware of any conflict of interest associated with a voting request. The CCO shall review the matter and determine the most appropriate course of action.

If Elmwood determines that it can participate in a class action on behalf of its Clients, the Co-CIOs and the CCO will determine whether the Client will (a) participate in a recovery achieved through a class action, or (b) opt out of the class action and separately pursue another remedy.

In the event, Elmwood uses the services of a third-party service provider to process its actions on loan amendments and other corporate actions, such service provider's fees and expenses, if any, are expected to be borne by Clients subject to each Client's governing documentation.

Clients may obtain a copy of Elmwood's Proxy Voting Policy and/or information on how Elmwood voted their securities by submitting a request to Elmwood's Chief Compliance Officer at (646) 876-2350.

Item 18. Financial Information

Elmwood is not required to include a balance sheet for our most recent fiscal year. Elmwood has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Clients.