

**Item 1 – Cover Page**

**GUGGENHEIM CORPORATE FUNDING, LLC**

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March 31, 2023

This Brochure provides information about the qualifications and business practices of Guggenheim Corporate Funding, LLC (“GCF”). If you have any questions about the contents of this brochure, please contact us at [GIIInstitutionalCompliance@guggenheimpartners.com](mailto:GIIInstitutionalCompliance@guggenheimpartners.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

GCF is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about GCF also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This brochure updates the brochure of GCF, dated as of March 31, 2022.

GCF has revised disclosures relating to its business operations, including disclosures regarding the way GCF is conducting its investment advisory operations and its relationship with affiliates, particularly in the following areas:

- Item 4 –Advisory Business
- Item 6 –Performance-Based Fees and Side-by-Side Management
- 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 14 – Client Referrals and Other Compensation
- Item 15 – Custody

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## Item 4 – Advisory Business

GCF is a Delaware limited liability company formed on November 6, 2003. Guggenheim Capital, LLC (“Guggenheim Capital”) is the sole owner of GCF through a series of holding companies, including Guggenheim Manager, Inc.; Guggenheim Partners, LLC (“Guggenheim Partners”); GI Holdco II LLC; GI Holdco LLC; GMI GPIMH, LLC; Guggenheim Partners Investment Management Holdings, LLC (“GPIMH”); and Guggenheim Funds Services, LLC. Sage Assets, Inc. holds a minority ownership interest in Guggenheim Capital, LLC. Sammons Equity Alliance, Inc. holds all of the ownership interests in Sage Assets, Inc. Consolidated Investment Services, Inc. owns Sammons Equity Alliance, Inc. Sammons Enterprises, Inc. owns Consolidated Investment Services, Inc. Sammons Enterprises, Inc. Employee Stock Ownership Trust owns Sammons Enterprises, Inc. GreatBanc Trust Company is the Trustee for Sammons Enterprises, Inc. Employee Stock Ownership Trust.

GCF provides investment advice, focused on Private Corporate Debt investments (as defined in “Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss”) to a variety of institutional clients through separately managed accounts (“SMAs”) and unregistered pooled investment vehicles. GCF also provides investment advice, primarily focused on Private Corporate Debt investments, to Guggenheim Partners Investment Management, LLC (“GPIM”), an affiliate of GCF, pursuant to sub-advisory arrangements between GCF and GPIM. In connection with such arrangements, certain GCF personnel serve as senior advisers to one or more GPIM investment committees. In addition, in connection with such arrangements, GCF has entered into agreements with GPIM pursuant to which GCF personnel serve as portfolio managers with respect to certain GPIM client accounts (such GPIM client accounts for which GCF provides sub-advisory and/or portfolio management services, the “GPIM Accounts”), including unregistered funds (“GPIM Private Funds”).

GCF has entered into a services agreement with GPIM, pursuant to which GPIM provides GCF with certain investment hedging, research and analysis, asset valuation, and related services with respect to Private Corporate Debt investments and with respect to certain GCF clients only, sourcing services for other fixed income securities and loans. Employees of both GCF and GPIM also provide certain additional services, such as trading and compliance, to both GCF and GPIM, and are subject to the supervision of both. This relationship between GCF and GPIM, presents certain conflicts of interest, including those described herein.

GCF also provides investment advice, focused on Private Corporate Debt investments, to GPIM Private Fund clients and other unregistered fund clients (together “Private Funds”), and expects to provide similar services to a variety of other institutional clients and Private Funds in the future.

A GCF SMA client generally selects a custodian for the SMA and is charged a periodic fee for management of assets and, in some cases, a performance or incentive fee or allocation of profits or gains generally subject to a benchmark or threshold agreed upon by the client and GCF. For SMAs, a client’s initial investment objectives are generally determined in consultation with the client. Investment guidelines and these objectives are memorialized by GCF and the client prior to implementation of a strategy. An SMA client may impose restrictions on GCF’s authority to invest in specific securities and types of securities, or to use leverage, for example. Investment guidelines are documented in a client’s investment management agreement (“IMA”) and

may be updated with the client's consent for reasons including a change in the client's situation or needs or a change in relevant market conditions. GCF reviews these objectives, guidelines, and restrictions in the normal course of business, but no less frequently than annually.

The description of GCF's investment advisory clients above is a summary and not intended to be exhaustive.

As of December 31, 2022, GCF managed approximately \$1,638,060,892 of Regulatory Assets Under Management ("RAUM") on a discretionary basis and \$6,440,469,771 of RAUM on a non-discretionary basis.

GCF does not participate in any wrap fee program.

GCF has filed an application for registration as a broker-dealer with the Financial Industry Regulatory Authority ("FINRA").

## **Item 5 – Fees and Compensation**

### **Management Fees**

For SMAs, GCF generally is paid a monthly or quarterly management fee, based on the assets under management ("AUM") or net asset value ("NAV") (as defined in a client's IMA) of all assets held in a client's account or based on the client's total committed capital amount (as defined in a client's IMA) ("Committed Capital Amount"). The management fee is equal to a mutually agreed upon annual fee rate multiplied by the SMA's AUM, NAV or Committed Capital Amount as of each calendar month-end or quarter-end, and typically pro-rated for periods of less than a complete month and prior to any reduction for such management fee. The management fee is calculated and accrued monthly and is payable quarterly in arrears. An SMA's management fee may be calculated and accrued according to different payment and calculation terms specified in a client's IMA. Fees are negotiated in different amounts with each client based upon the type of service provided, size of the account, and relationship between the client and GCF.

GCF may offer several different products with varying fees, which will be determined with each SMA client. Standard management fees for investment advisory services provided to SMA clients generally range up to 1.00 percent annually of AUM, NAV, or Committed Capital Amount. However, some of GCF's fees will be higher than this, and, as described above, SMA fees are generally negotiable.

GCF will receive varying fees for providing services to client-sourced investment opportunities ("Client-Sourced Assets"), as agreed upon by GCF and the client in the relevant investment advisory agreement.

Management fees for an SMA, described in the relevant IMA, generally accrue beginning on the effective date on which GCF commences trading in the relevant SMA. In general, an SMA advised by GCF will pay a management fee to GCF within 30 calendar days from the receipt of an invoice and 30 calendar days from the expiration of the term if such date is not the end of the calendar quarter. However, in some circumstances, fees may be payable monthly or payable in advance. Should an SMA client terminate an advisory arrangement, fees will generally be charged until the mutually agreed upon termination date. Advisory arrangements are generally terminated by providing written notice to GCF. If fees were paid in advance, in the event of a

withdrawal, the client would receive a *pro rata* rebate of the allocable portion of the fee not earned by GCF during the period.

Pursuant to the sub-advisory arrangements, GCF will receive a fee from GPIM, which will be agreed between GCF and GPIM from time to time for any investment advisory services it provides to GPIM, which may include performance or incentive fees.

No GPIM Account will bear any additional advisory fees associated with the services that GCF provides to GPIM. Any fees associated with such services will be borne by GPIM.

### **Performance Fees**

As set forth under “Item 6 – Performance-Based Fees and Side-By-Side Management – Performance-Based Fees,” GCF generally charges SMA clients a performance or incentive fee constituting a percentage of profits or gains in addition to the management fees mentioned above. GCF also charges certain Private Funds performance or incentive fees constituting a percentage of profits or gains in addition to the management fees mentioned above.

### **Additional Fees**

GCF and its affiliates expect to receive fees, commissions, remuneration, or profits made in some transactions involving affiliated entities in addition to any management and performance fees. For more information on transactions involving affiliated entities, please see “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.”

### **Expenses**

Expenses charged to and borne by an SMA generally include management fees, all costs and expenses related to the SMA’s portfolio investments and all other costs and expenses agreed to between the client and GCF, such as indemnification expenses. Costs and expenses typically borne by an SMA relating to its portfolio investments include: brokerage commissions and other trading execution and settlement related costs and fees; custody fees; interest incurred on borrowings, if any; and dividends paid on securities sold short.

Some costs and expenses borne by GPIM on behalf of GPIM Accounts are expected, at times, to also be borne by one or more SMAs to the extent permitted under such SMAs’ governing documents. Instances in which certain SMAs may bear such costs and expenses include where: (i) the SMA also participates in a portfolio investment alongside one or more GPIM Accounts either directly in the investment and/or through one or more special purpose vehicles or aggregator vehicles; (ii) the SMA derives a benefit from the incurrence of the cost or expense of external valuation agents retained to perform valuation or price support services with respect to an illiquid portfolio investment in which the SMA participated; (iii) the SMA derives a benefit from the incurrence of a cost or expense such as in the case of research, due diligence or technology services; or (iv) in the reasonable discretion of GCF not allocating the cost to the SMA may result in inequitable treatment of GCF clients, including GPIM Accounts, over time.

Costs and expenses borne by more than one GCF client are allocated in accordance with GCF’s policies and procedures in effect from time to time. GCF’s allocation methodologies seek to allocate expenses in a manner

that generally reflects each GCF client's relative consumption of resources, relative allocation of benefits and/or other equitable considerations that may be appropriate under the circumstances; however, the allocation of expenses involves subjective determinations, which involve conflicts of interest. For example, in some instances expenses relating to a particular investment may be allocated pro rata among all GCF clients and GPIM clients (that are not also clients of GCF) that participate in that investment (*e.g.*, based on each such client's percentage of the aggregate total amount invested by GCF clients and GPIM clients in an investment, net assets or other methodology determined by GCF to be appropriate), but in other instances expenses may be allocated on a non-pro rata basis. Moreover, allocations of expenses typically rely on then-available information, estimates and assumptions, which GCF believes are reasonable and appropriate, but may be imprecise and subject to subsequent modification. While GCF believes that its allocation methodology is reasonable, other allocation methodologies exist that yield different results.

In the event an expense is attributable to multiple GCF clients, GCF's expense allocation process includes making an initial allocation of such expense among all relevant accounts prior to determining whether any such GCF clients are restricted or prohibited from bearing the expense (*e.g.*, due to expense caps or restrictions in relevant documentation). If GCF determines that one or more GCF clients are restricted or prohibited from bearing the expense, GCF generally will determine to bear the portion of the expense that was initially allocated to such accounts and to then allocate the remainder of such expense as appropriate to other GCF clients that do not have such restrictions or prohibitions.

The bearing of costs and expenses by certain GCF clients as described in this section will directly or indirectly benefit GCF, other clients of GCF or clients of its affiliated advisers that do not bear such costs and expenses, particularly those that later invest in the same or similar assets, sectors, and/or issuers as the GCF clients bearing such costs and expenses. For example, in managing the accounts of certain other clients, GCF from time-to-time will take into account relevant information obtained by service providers previously paid for by certain GCF clients. These service providers include, among others, valuation agents (*e.g.*, for pricing support of a related issuer or security) and certain legal and accounting expenses (*e.g.*, documents serving as precedent for a future similar situation). In addition, GCF from time to time provides information acquired or derived from these service providers to other clients for various reasons without seeking compensation for such information. GCF clients that initially bear such expenses are not expected to be later reimbursed by clients who benefit from such expenses.

A similar process is involved with respect to expenses that are attributable to both clients of GCF and clients of GCF affiliates, such as GPIM. Cross-adviser expenses may exist where GCF and its affiliates pursue the same or similar assets for client accounts or where GCF and its affiliates have collective arrangements with service providers. Cross-adviser expenses will first be allocated to each adviser and then to the adviser's clients in accordance with such adviser's expense allocation policies and procedures. If affiliated advisers' policies and procedures differ, there will be differences in the expenses borne by clients of each adviser, and certain clients will therefore be treated more favorably depending on the adviser providing services to such clients.

GCF and its affiliates and personnel expect from time to time to receive discounted services from certain service providers who also provide services to GCF clients. GCF and its affiliates and personnel expect to receive discounts negotiated with such service providers because GCF intends to negotiate for such services on a group-wide bases. No discounts received by GCF and its affiliates and personnel for such services will offset or reduce the management fee or any other compensation received by GCF.

Guggenheim Funds Distributors, LLC (“GFD”), an affiliate of GCF, will receive a placement fee from GCF with respect to investors who are introduced to certain Private Funds by GFD, as well as additional payments, including reimbursement for specific expenses incurred in providing its placement agent services. In certain instances, GCF may also pay similar placement fees to unaffiliated entities.

Some of GCF’s employees (and others who act in the capacity of a consultant or advisor), as well as GPIM employees, from time to time also are employed, or engaged in an operating capacity by, or serve as a director for, one or more portfolio companies or entities in which GCF or GPIM has invested on behalf of its advisory clients. The services provided by such persons in such capacity are separate and apart from GCF’s investment advisory services to its advisory clients, provided that GCF employees provide such services to GPIM clients pursuant to an investment advisory agreement between GCF and GPIM. Such persons have received, and may in the future receive, cash compensation, stock options and/or restricted stock as well as other compensation in their capacity as directors or employees of a portfolio company. Any such amounts (including, without limitation, salaries, additional investment rights and similar cash and non-cash compensation and incentives) received, directly or indirectly, by such persons in respect of such portfolio companies will not reduce the management fee otherwise payable by advisory clients to GCF and will be borne by the portfolio companies. Therefore, such amounts will indirectly be borne by the advisory clients as applicable invested in the portfolio company and not by GCF. Further, conflicts of interest arise between the duties owed (if any) by such persons to such portfolio companies and to GCF’s advisory clients, particularly where there is a divergence of interests between GCF advisory clients (and/or between GCF advisory clients and advisory clients of GCF’s affiliates, including GPIM) who are equity holders and/or debt holders of a portfolio company and such other of the portfolio company’s equity holders or debt holders, including but not limited to other GCF or GPIM advisory clients. GCF seeks to ensure that such conflicts of interest are appropriately resolved taking into consideration all of the circumstances in a given situation. To the extent permitted by law in the applicable jurisdiction, appropriate resolution has included and may in the future include, without limitation, one or more of the following measures: (a) a waiver of fiduciary duties owed to the portfolio company; (b) an agreement that such persons may only consider the interest of GCF (and if applicable GPIM) advisory clients; (c) an agreement that such persons need not present investment opportunities to the portfolio company; (d) disclosure of the conflict to the board of the portfolio company; and/or (e) recusal from conflicted votes or decisions regarding the portfolio company. In the event of an irreconcilable conflict of interest between GCF advisory clients and GPIM advisory clients with respect to the direction of a board decision or vote by a GCF employee who serves as a director of a portfolio company in which both GCF advisory clients and GPIM advisory clients are equity holders and/or debt holders as applicable, the GCF employee shall vote according to the decision of the advisory clients holding the majority investment in the portfolio company.

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

### **Performance-Based Fees**

For certain clients, GCF charges a performance or incentive fee or allocation constituting a percentage of profits or gains, generally subject to a benchmark (such as an equity or bond index) or a threshold return (such as a fixed percentage rate). Performance-based compensation arrangements are structured in accordance with the



requirements of Rule 205-3 under the Investment Advisers Act of 1940, as amended (“Advisers Act”), to the extent Rule 205-3 applies.

GCF is entitled to receive a performance-based fee from GPIM for sub-advisory services GCF provides to certain clients of GPIM .

Performance-based fee arrangements vary among clients and investment strategies. As GCF advises accounts that generally invest in assets that lack a readily available market value, investors generally pay a management fee based on the investor’s capital commitment to the account and, where applicable, a performance-based fee that applies once the investor has received a return of its contributed capital and a specific minimum return. In addition, some accounts are subject to a performance-based fee that is paid only after a specified return on invested capital (a “hurdle”) has been achieved. Other clients in the future may be subject to a performance-based fee that is not subject to a hurdle, or a performance-based fee that is subject to a high water mark under which the agreed-upon portion of profits or gains for a period are only paid if any previous losses in prior periods have been recouped.

To the extent that GCF manages client accounts that pay performance-based fees and client accounts that pay only management fees, or performance-based fees that are calculated in a different manner, such activity creates a conflict of interest as the portfolio manager will have an incentive to favor clients with the potential to generate greater fees. Performance-based compensation arrangements reward GCF for positive performance, and thus create an incentive for GCF to recommend investments that are riskier or more speculative than those that would be recommended under a different compensation arrangement. Such performance-based compensation arrangements also create an incentive to favor accounts that pay higher fees over other accounts in the allocation of investment opportunities. For instance, a portfolio manager will face a conflict of interest when allocating scarce investment opportunities, which creates an incentive to allocate opportunities to client accounts that pay performance-based fees as opposed to client accounts that pay smaller or no performance-based fees. In addition, GCF personnel whose compensation varies based on the performance of client accounts or investments face similar conflicts of interest as they have an incentive to favor accounts or investments for which they are able to receive additional compensation.

GCF seeks to mitigate the above conflicts of interest through GCF’s allocation and best execution procedures, which are designed to help ensure GCF acts in the best interests of its clients in accordance with its fiduciary duties.

## **Valuation**

GCF has entered into a services agreement with GPIM, pursuant to which GPIM and its affiliates provide to GCF certain services with respect to Private Corporate Debt investments, including valuation services.

As noted above, GCF’s fees are often based on the value and performance of the assets held in the client account. When pricing a security, GCF attempts, in good faith and in accordance with applicable laws, to determine the fair value of the security or other assets. Unless otherwise agreed to with a client, GCF generally relies on prices provided by a broker-dealer, third-party pricing service, or GPIM for valuation purposes. However, when quotations from these sources are not readily available or are believed by GCF to be unreliable,

the security or other assets will be valued by GCF in accordance with applicable valuation policies and procedures.

GCF values securities and assets in client accounts according to its valuation policies. In certain circumstances, GCF will value an identical asset differently than other affiliated subsidiaries of Guggenheim Partners value the asset, including because such other entities have information regarding valuation techniques and models or other information that they do not share with GCF. This is particularly the case in respect of difficult-to-value assets. Where appropriate, GCF will value an identical asset differently in different client accounts, for example because different client accounts are subject to different valuation guidelines pursuant to their respective governing agreements or different third-party vendors perform valuation functions for the client accounts.

In certain cases, GCF faces conflicts with respect to such valuations because they affect GCF's compensation. To the extent GCF's fees are based on the value or performance of client accounts, GCF would benefit by receiving a fee based on the impact, if any, of an increased value of assets in an account. In addition, certain GCF investment personnel are involved in monitoring GPIM's valuation services to GCF. In order to mitigate the conflicts of interest related to valuation, GCF maintains a Valuation Policy to monitor GCF's valuation determinations in accordance with its fiduciary duties.

In measuring clients' assets for the calculation of performance-based compensation, GCF generally includes realized and unrealized capital gains and losses for purposes of such calculations.

### **Side-By-Side Management**

Certain portfolio managers employed by GCF or its affiliates manage multiple accounts, including GPIM Accounts, SMAs and Private Funds, according to the same or similar investment strategies and seek to make or sell investments in the same securities, instruments, sectors or strategies. This side-by-side management of multiple accounts creates conflicts, particularly in circumstances where the availability or liquidity of investment opportunities is limited. Certain investments (such as commercial mortgage loans, products structured for insurance company investment requirements, private equity, hedge funds, venture capital and/or other equity interests) will be offered to some but not all clients when appropriately within client investment guidelines, including unaffiliated and affiliated insurance companies or their subsidiaries or affiliates. See "Item 10 – Other Financial Industry Activities and Affiliations – Other Potential Conflicts and Material Relationships with Affiliated Entities."

In addition, in certain situations, GCF's actions for one client account affect other client accounts, and GCF's actions for one or more client accounts affect, or are affected by, actions of GCF affiliates or related persons who hold interests in a particular portfolio company, either directly or through a GCF managed account. For additional information about these and other conflict situations, including mitigation processes, see "Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading."

Other conflicts that arise from side-by-side management of client accounts are set forth below in the Allocation section below.

### **Allocation**

GCF advises clients with similar investment strategies and has adopted policies and procedures that govern the allocation of investment opportunities among clients in a fair and equitable manner, taking into account the needs and investment objectives of the clients as well as prevailing market conditions. Consistent with this principle, GCF will consider where appropriate the following factors, among others, in allocating investments among GCF client accounts: risk tolerance; rating constraints; maturity constraints; issue size; yield; purchase price; existing exposure of the investment vehicle; minimum trade allocation; minimum position holding size; sector allocation limits; duration; convexity; strategy; lot size; market conditions; investment guideline considerations; and account-specific legal and regulatory constraints. GCF will also consider the specific investment objective of the account, and may also consider liquidity requirements, diversification, lender covenants, investment phase of the account (*i.e.*, ramping-up or taking gains/losses for tax purposes), aggregate size of commonly owned accounts, and cash available in each account when making an allocation decision. Accordingly, certain client accounts will receive an allocation in a given transaction or investment opportunity when other client accounts do not. Where such differences in allocations occur, account investments and performance will differ from client to client.

Allocation decisions are also subject to or impacted by certain pre-determined allocation arrangements. GCF has entered into a sub-advisory arrangement with GPIM pursuant to which GCF provides advisory services to GPIM with respect to Private Corporate Debt, including investment sourcing (as GPIM expects to source private corporate debt or structured corporate equity investments only periodically, and only for GPIM clients). Pursuant to such arrangements, investments sourced by GCF are offered to GPIM (for certain GPIM clients only) and to GCF (for investment by certain of its other clients, including Employee Accounts (as defined below) (“GCF Direct Clients”)) concurrently and will therefore (i) first be allocated between GCF Direct Clients (the “GCF Client Allocation”) and GPIM clients (the “GPIM Client Allocation”) on a pro rata basis, based on size of demand for the investment, after taking into account the allocation factors set forth in GPIM’s allocation policy and GCF’s internal allocation policy and procedures, subject to certain factors (and as further described below), and then (ii) the GCF Client Allocation will be allocated among GCF Direct Clients by GCF, as described further below and in GCF’s internal allocation policy. Any remaining allocation may then be allocated to other GPIM clients and, thereafter, to certain GCF clients that have agreed to receive only any such remaining available amount (“Remaining GCF Clients”).

Other arrangements create conflicts, and thus impact the allocation of investment opportunities. Guggenheim Relevant Entities (as defined below under “Other Potential Conflicts and Material Relationships with Affiliated Entities”) directly or indirectly own all or a majority of the interests in one or more Private Funds advised or sub-advised by GCF. GCF investment personnel, including GCF portfolio managers may also be compensated based on the performance of one or more Guggenheim Relevant Entity client accounts, and/or may own GCF client accounts, including Private Funds, (“Employee Accounts”), which may be financed in whole or in part, directly or indirectly, by a Guggenheim Relevant Entity. Any such Employee Accounts will participate in investment opportunities or transactions based on the participation of one or more Guggenheim Relevant Entity accounts in such opportunities or transactions. Due to such relationships, GCF personnel have an incentive to favor such Guggenheim Relevant Entity accounts, including with respect to the allocation of investment opportunities. See “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.”

GCF also faces conflicts of interest because GCF has an incentive to favor particular accounts over others that are less lucrative in the allocation of investments (*e.g.*, because such accounts have the same or similar investment strategies or otherwise compete for investment opportunities, have potentially conflicting investment strategies or investments, have differing ability to engage in short sales and economically similar transactions or earn GCF an economic split). These conflicts arise when, for example, GCF allocates investment opportunities that GCF believes could more likely result in favorable performance, engages in cross trades, or executes conflicting or competing investments. As a result of the foregoing, in certain circumstances, if an investment opportunity would be appropriate for more than one client, GCF will be required to choose among those clients in allocating the opportunity, or to allocate less of the opportunity to a client than it would ideally allocate if it did not have to allocate to multiple clients. In addition, GCF will often determine that an investment opportunity is appropriate for a particular account, but not for another.

In addition, in certain situations in which an investment opportunity would be appropriate for one or more of GCF's clients, it may be necessary or appropriate for GCF to obtain prior written consent from each client to place the investment in the client's account; such opportunities may be unavailable to those clients who fail to provide timely consent.

Further, in certain circumstances in which one or more GCF client accounts hold a pre-existing position in or related to an issuer or borrower, to the extent an opportunity arises directly from such client's ownership of, or out of the restructuring of, such position (or under similar circumstances), GCF has the ability to offer a right of first refusal to such GCF client account (pro rata to their existing holdings and subject to the conditions set forth in GCF's internal allocation policy and procedures).

Certain investment opportunities or transactions are sourced or originated by GCF clients (rather than GCF). Such Client-Sourced Assets are not allocated to other GCF clients pursuant to GCF's allocation policy or procedures described above unless and to the extent that such GCF client does not have demand for the entire investment opportunity or transaction. In such situations the GCF client may direct GCF to allocate the remainder to one or more Employee Accounts only or to all GCF clients, in which case GCF shall allocate the opportunity in accordance with GCF's allocation policy and procedure described above.

### **Aggregation of Trades**

In order to minimize execution costs for clients, trades in the same security transacted on behalf of more than one client of GCF and/or GPIM may be aggregated (*i.e.*, blocked or bunched), subject to the aggregation being in the best interests of the participating clients and the firm's obligation to seek best execution. In particular, GCF expects that trades will be aggregated between GCF clients and GPIM's clients, unless GCF believes that doing so would conflict or otherwise be inconsistent with its duty to seek best execution for the clients and/or the terms of the respective investment advisory contracts and other agreements and understandings relating to the clients for which trades are being aggregated. When GCF believes that it can effectively obtain best execution for the clients by aggregating trades, it will do so for all clients participating in the trade for which aggregated trades are consistent with the respective investment advisory contracts, investment guidelines, and other agreements and understandings relating to the clients.

In the event trades are aggregated, GCF will seek to: (i) treat all participating GCF and GPIM client accounts fairly; (ii) continue to seek best execution; and (iii) ensure that clients who participate in an aggregated order will participate at the same price, net of transaction costs.

When a trade is to be executed for a single GCF client and the trade is not in the best interests of other GCF or GPIM clients at the time of the transaction, then the trade will be executed only for that client. Other instances in which client orders will not be aggregated between GCF clients or between GCF and GPIM clients include, but are not limited to, the following:

- Traders and/or portfolio managers determine that the aggregation is not appropriate due to market conditions;
- Portfolio managers effect the transactions through an approved client-requested directed-brokerage arrangement (*i.e.*, the same security/investment with different brokers), making aggregation unfeasible; or
- A client directs a purchase or sale transaction not in the best interests of other clients at the time of the transaction.

In the event trades are aggregated on behalf of GCF and GPIM clients, the aggregated transactions will be allocated in a manner consistent with the allocation process described above.

The processes described herein for allocating investment opportunities and aggregating trades among GCF clients, as well as among GCF and GPIM clients, apply to opportunities to invest as well as opportunities to sell existing investments.

### **Discretionary v. Non-Discretionary Accounts**

GCF provides non-discretionary investment advisory or management services where GCF advises client accounts on purchasing, selling, holding, valuing, and/or exercising rights with respect to particular investments, but does not have discretion to execute purchases or sales, including with respect to the size of such purchases or sales, on behalf of the client accounts, including as between commonly owned accounts, without the specific instruction of the client, in accordance with and subject to the terms of the client investment management agreement. From time to time, GCF may provide such non-discretionary investment advisory services to an account or Private Fund whose investors also receive discretionary investment advisory services from GCF, including because the investors are invested in multiple accounts and/or Private Funds or because a single account has multiple sleeves that grant GCF different levels of discretion. GCF will also provide periodic, ad-hoc advice on transactions/investments sourced entirely by clients. In such cases, GCF will not manage the Client-Sources Assets and will have no ongoing investment discretion or involvement in management of these assets. GCF will receive varying fees for providing services to Client-Sourced Assets, as agreed upon by GCF and the client in the relevant investment advisory agreement. In addition, GCF provides non-discretionary investment advisory services to accounts whose investors also receive discretionary investment advisory services from GPIM, and vice versa. GCF may, from-time to-time, advise with respect to the same or similar securities in discretionary and non-discretionary client accounts, and in some cases the same investor may have an interest in such securities through both discretionary and non-discretionary client accounts. There may be timing differences related to the transmission of advice to non-discretionary client accounts for consideration and a determination of whether to act on the advice. As a result, GCF may execute

trades in investments for discretionary client accounts in advance of GCF communicating with non-discretionary client accounts about those same trades. In other cases, GCF could decide to separate advice in discretionary and non-discretionary accounts. For example, in connection with non-discretionary client accounts, GCF could have information with respect to pending purchases or sales, or relating to a non-discretionary client's business and financial position. In the event that GCF considers such information to be of a sensitive nature, GCF will at times, on a case-by-case basis, elect to implement internal policies and procedures (including where appropriate, the use of informational barriers) to manage the flow of such information within GCF, which would prevent the transmission or affect the timing of transmission of advice to some accounts. Such information could also restrict GCF's ability to recommend investments, or take actions, on behalf of discretionary clients, or vice versa. In addition, in certain instances, non-discretionary client accounts (including Private Funds) could determine to take an action (or direct GCF to take an action) with respect to an investment or issuer, including an investment or issuer in which other GCF client accounts hold an interest, that have an adverse effect on other GCF client accounts.

With respect to non-discretionary client accounts, the client will solely be responsible for approving or rejecting recommendations presented by GCF. GCF will make recommendations based on its good faith belief as to the suitability of the investment for the client, but GCF will not consider the overall diversification or concentration of the client's total portfolio, whether held at GCF or elsewhere. The client will be responsible for monitoring its assets for potentially contradictory or offsetting investments or concentration in one or more individual assets or in an asset class and independently taking any action to remediate such issues. Unless otherwise agreed in the applicable non-discretionary account agreement, GCF will not act for the client in the absence of the client's written approval for a purchase or sale, and GCF will not presume the client's approval from its silence. Thus, in the event of a sudden change in an issuer's financial condition, a market correction, or any other event during which the client is unavailable, GCF will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's approval.

To the extent that GCF, or an affiliate, will receive an incentive or "performance" fee or allocation in connection with a non-discretionary client account, such fee will typically be calculated on an investment-by-investment basis, i.e., as a percentage of the profits realized from each investment recommended by GCF without netting profits against losses from preceding investments. Although GCF seeks to recommend investments that are in the best interests of its clients, GCF would, as a result of a deal-by-deal performance fee structure, nevertheless have an incentive to take increased investment risk when recommending investments to clients with such a fee arrangement in place. GCF also will have an incentive to take increased investment risk for such clients and other clients from which it receives incentive fees calculated on an investment-by-investment basis over GCF clients whose incentive fees involve netting over time. Similarly, GCF will have an incentive to favor or take increased investment risk with respect to clients from which it receives higher performance fees over the client or other clients from which it receives lower or no performance fees. GCF has in place policies and procedures to address these conflicts, including policies and procedures designed to ensure allocation of investment opportunities among all clients and GCF proprietary entities on a fair and equitable basis, taking into account each client's investment objectives. See "Item 6 - Performance-Based Fees and Side-By-Side Management – Allocation."

## **Item 7 - Types of Clients**

GCF provides investment advisory and sub-advisory services to SMAs and Private Funds. GCF also provides investment sub-advisory services to its affiliate, GPIM, in connection with the GPIM Accounts. In connection with such arrangements, GCF personnel also serve as portfolio managers of one or more GPIM Accounts, and provide investment advisory services to multiple additional SMAs, Private Funds, and CLOs. GCF's SMA clients and Private Fund investors may include corporate pension and profit-sharing plans, public pension plans, trusts, estates, charitable organizations, municipalities, corporations and business entities (including affiliated and unaffiliated insurance companies), and other registered and unregistered pooled investment vehicles. GCF also serves as asset or collateral manager for or sub-adviser to CLOs, and may serve in such capacity for other non-registered structured products. GCF may in the future act as adviser or sub-adviser to business development companies. For SMA clients, GCF generally requires a minimum account size of \$100 million, subject to reduction in GCF's discretion. Private Fund clients will have separate suitability and other requirements, and minimum investment amounts, as set forth in the applicable Private Fund's offering and subscription documentation. GCF also provides discretionary and non-discretionary sub-advisory services to other registered investment advisers in connection with their management of Private Funds.

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

Investing in securities and other instruments involves risk of loss that clients should be prepared to bear. GCF expects to use charting, fundamental analysis, and technical analysis to formulate client investment opportunities. GCF also expects to use the services of third-party market service data providers.

GCF manages client assets using a variety of disciplines depending on the investment objectives and guidelines applicable to its clients. Each type of security is subject to different risks. GCF's primary investment strategy is to invest in Private Corporate Debt. This strategy seeks to invest directly or indirectly in (i) privately negotiated corporate debt investments (primarily secured loans) but also including bonds and other debt instruments, along with associated warrants and miscellaneous preferred equity or subordinated debt securities and other equity security investments and (ii) certain privately negotiated corporate equity investments (such investments, "Private Corporate Debt"). This strategy targets Private Corporate Debt instruments in a variety of transactions, including but not limited to leveraged buyouts, refinancings, recapitalizations, acquisitions and later-stage growth financings.

Investors bear the risk of loss that GCF's investment strategies entail. Certain risks are associated with certain investment strategies. Investors should carefully read all applicable informational materials and any account or strategy-specific risk factor disclosures for further information about the risks associated with their investment. While GCF seeks to manage accounts so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss, and there can be no guarantee that a particular level of return or objective will be achieved.

### *Risks Related to Discontinuance of IBORs, including LIBOR*

The London Interbank Offered Rate ("LIBOR") and certain other "benchmarks" have been the subject of national, international, and other regulatory guidance and reform. In 2021, the U.K. Financial Conduct Authority announced that all LIBOR settings will either cease to be provided by any administrator or no longer

be representative immediately after June 30, 2023. The U.S. Federal Reserve (the “Federal Reserve”) has also advised banks to cease entering into new contracts that use USD LIBOR as a reference rate. The Alternative Reference Rate Committee, a committee convened by the Federal Reserve that includes major market participants, has identified the Secured Overnight Financing Rate (“SOFR”), an index calculated by short-term repurchase agreements, backed by U.S. Treasury securities, as its preferred alternative rate for LIBOR in the U.S. Working groups formed by financial regulators in other jurisdictions, including the U.K., the European Union, Japan and Switzerland, have also recommended alternatives to LIBOR denominated in their local currencies. At this time, it is not possible to predict how markets will respond to SOFR or other alternative reference rates as the transition away from the LIBOR benchmarks is completed in the coming year. The discontinuation of LIBOR, and the replacement of LIBOR with SOFR or other alternative reference rates, could adversely affect clients’ credit arrangements and negatively impact the expected return on a client account’s portfolio and/or the availability of instruments designed to hedge exposure to benchmark rates, and such impacts could be material. When LIBOR is discontinued as a benchmark rate, it could cause an increase in the volatility of LIBOR and SOFR or other alternative reference rates prior to the consummation of any such change. SOFR or other alternative reference rates might not reflect the composition and characteristics of LIBOR, and there is no guarantee that any spread adjustment adopted in connection with such alternative rates will be representative of LIBOR as of the date of determination of such benchmark.

As a result of the expected transition, interest rates on loans, deposits, derivatives, and other financial instruments tied to LIBOR rates, as well as the revenue and expenses associated with those financial instruments, could be adversely affected. There is no guarantee that a transition from LIBOR to SOFR or other alternative reference rates will not result in financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which could have a material adverse effect on GCF’s clients.

With respect to investments made or to be made by GCF’s clients, there is a risk of interest rate mismatch where the benchmark rates on the underlying portfolio of assets could differ from the benchmark rates applicable to the debt obligations issued by such underlying investments. In addition, some of the debt instruments in which a GCF client account is permitted to invest could only be able to change to a rate that might not match the rate adopted by their underlying investments. Any resulting mismatches could result in negative implications for a GCF client’s investments.

#### *Risks related to Public Health Emergencies: COVID-19*

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the current outbreak of COVID-19, have resulted in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to GCF clients.

Coronavirus, renewed outbreaks of other epidemics or the outbreak of new epidemics could result in health or governmental authorities requiring the closure of offices or other businesses and could also result in a general economic decline. Such events could adversely impact economic activity through disruption in supply and delivery chains. Moreover, GCF’s operations and those of its clients or their investments could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses could



have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence could negatively impact market value, increase market volatility and reduce liquidity, all of which could have an adverse effect on GCF, its clients, and their investments.

### *Risks Related to ESG*

We believe that Environmental, Social, and Governance (“ESG”) criteria can meaningfully influence investment outcomes, and that careful analysis of ESG criteria is an important component in evaluating the risks associated with some of our investment strategies, and notably certain of our actively-managed fixed income strategies. For this reason, the consideration of ESG criteria is a relevant component of our investment philosophy and process for many portfolio investments. Evaluating ESG criteria may lead to actions, including steering capital away from or towards issuers in consideration of their ESG characteristics. Consideration of ESG criteria could also include strategically seeking investment opportunities that generate long-term value for our clients, are sustainable in nature, or advance innovative solutions to achieve positive, scalable change for society and the environment. However, we also acknowledge that ESG criteria deserve careful ongoing consideration and evaluation, and as such we are committed to the further development of ESG criteria as well as the process and implementation of these criteria. Over time, Guggenheim expects that it will be increasingly positioned to fully integrate these elements into our investment policies for the advisers’ actively-managed fixed income strategies.

The development of these standards is evolving over time and requires consideration on how best to evaluate the consequences of the deployed capital to support not just the implementation of robust ESG standards but also to support, encourage, and assist with the transition to a more responsible outcome by those benefiting from capital investment.

In situations where we believe that ESG criteria may have a material impact on an investment’s return or issuer’s financial performance, we will seek to weigh these criteria alongside traditional factors in making investment decisions. ESG risk is treated in our process like other risks (e.g., financial, covenant, interest rate, and liquidity) in that it allows GCF to more comprehensively assess the credit quality of a given investment and weigh this against its return potential and long-term impact. However, for various reasons, including but not limited to: (i) availability and quality of information on an issuer; (ii) accelerated timeframe to make an investment decision, (iii) an internal recommendation against an investment opportunity for compelling reasons unrelated to ESG considerations; (iv) client-directed investments or Client-Sourced Assets; (v) where the investment proposed is in an issuer of securities already held by a GCF-managed portfolio; (vi) where the securities become GCF-managed due to onboarding a client with an existing portfolio of assets; or (vii) where ESG criteria is not expected to have a material impact on an investment’s return or an issuer’s financial performance, a review of ESG criteria will not be performed for some investments or issuers and ESG criteria will not be considered for such issuers and investments. Nonetheless, such investments could still be acquired for GCF client accounts. Where permissible and/or where mandated by a client or a regulatory requirement, we will seek to manage our clients’ assets in a way that avoids mechanistic responses to individual ESG criteria in favor of more balanced assessments incorporating the full fundamental picture and relative value considerations. ESG criteria and risks will not be treated as more significant or determinative than such other investment risks, unless required under the terms of a client’s IMA. As part of the ESG integration process, certain fixed-income investment sector teams will document the evaluation of ESG criteria with respect to a prospective investment through

assignment of an ESG rating, which will be largely based on a third-party vendor's ESG rating, when available and unless a review of ESG criteria is not performed as discussed in the immediately preceding paragraph.

For the avoidance of doubt, GCF relies on GPIM to evaluate ESG criteria and ratings as part of the research and analysis services GPIM provides to GCF.

In some circumstances a client mandate or applicable regulations can cause us to restrict specific investments based on particular ESG criteria. In certain circumstances we may implement restrictions or prohibitions on investments within certain industries for all or a sub-set of all client accounts which could be based on particular ESG criteria or other relevant factors. Those restrictions or prohibitions will be subject to change over time. As a result, clients may be limited as to available investments, which could hinder performance when compared to investments with no such restrictions.

Notwithstanding the above, the ability for GCF to identify and evaluate ESG criteria and risks is limited to the availability and quality of information on an asset or issuer. The assessments of such ESG criteria are also subjective by nature and subject to change. GCF reserves the right to change without notice our ESG assessment of an asset or issuer or the type of information that we use. There is no guarantee that the ESG criteria utilized, or judgment exercised, by GCF will reflect the beliefs or values of any one particular investor or other constituent; nor, will it necessarily result in enhanced performance of any asset or any portfolio.

In many cases, we use data and insights from third-party research to provide additional input in the analysis of ESG-related criteria within our portfolio holdings and the broader market. Third-party research and ratings are considered as a significant, and in some cases the primary, input within the ESG due diligence process, when available. However, third-party research is not determinative of ESG rating or investment decisions. Third-party information and data may be incomplete, inaccurate or unavailable. As a result, there is a risk that we could incorrectly assess the ESG criteria or risks associated with a particular asset or issuer.

The application of ESG criteria and risk factors to portfolio investments (if any) could result in one or more assets or issuers being excluded from a portfolio, which could have an adverse effect on the performance of that portfolio. Investment strategies with mandates to explicitly restrict investments due to certain ESG criteria may be, and often are, limited as to available investments, which could hinder performance when compared to strategies with no such requirements or restrictions.

#### *Risks Related to Cybersecurity*

Recent events have illustrated the ongoing cybersecurity risks to which companies, governments, institutions and other organizations are subject. To the extent that an issuer of securities in which a client invests is subject to a cyber-attack or other unauthorized access is gained to such issuer's systems, the issuer may be subject to substantial losses. In certain cases, an issuer's failure or deemed failure to address and mitigate cybersecurity risks could be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a client portfolio to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations.

In addition, in the event that a cyber-attack or other unauthorized access is directed at GCF or one of its service providers holding its financial or investor data, GCF, its affiliates or the clients would likely also be at risk of loss, despite efforts to prevent and mitigate such risks under GCF's policies and practices. While GCF has taken significant steps to protect its information technology systems and confidential information, threat actors are increasingly sophisticated and using advanced tools and techniques to circumvent security controls, obfuscate data access and delete forensic evidence, which impacts GCF's ability to timely and effectively detect, investigate and mitigate attacks and incidents. Additionally, continued remote and hybrid working arrangements present potentially increased risks associated with the prevalence of social engineering attacks and vulnerabilities inherent in many non-corporate and home networks.

The confidentiality, integrity and availability of GCF's information technology systems and confidential information is increasingly subject to the risk of cyberattacks, computer viruses (for example, ransomware), network failures, computer and telecommunication failures, infiltration by unauthorized persons, software "bugs" and vulnerabilities, usage errors, employee negligence, social engineering (for example, third parties inducing employees, investors, service providers or other users of GCF's information technology systems to gain access to its confidential information or that of a client's investors), power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any security systems, counter measures or other controls designed to mitigate cyber-related risks are compromised, are disrupted or cease to function properly, GCF, its clients and their respective affiliates could incur significant costs and liability, and there is no guarantee that any insurance policy would partially or fully cover such exposure.

#### *Risks Related to Banking System Volatility*

The closing of a bank will negatively impact the availability of certain financial services to their respective former clients, which could include GCF, its clients, portfolio companies or service providers and could require former clients to establish new bank relationships. These closures could significantly increase GCF's and its clients' costs, negatively impact clients' ability to execute on pending transactions, including with respect to the ability to draw down amounts under credit facilities, and divert GCF's time, attention and resources away from the pursuit of its clients' investment strategies. Furthermore, these closures will also likely increase counterparty risk, including raising the likelihood of defaults or bankruptcies by counterparties and their major customers that rely on such bank relationships. Depending on ongoing developments, regulatory guidance and timing, the closing of a bank could significantly exacerbate the normal investment risks and result in adverse changes to, among other things: (i) general economic and market conditions; (ii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iii) demand for investments; (iv) availability of credit in certain markets; and (v) laws, regulations and governmental policies. Furthermore, the closing of a bank could lead to financial system and participant regulatory reform, and such increased regulatory oversight could impose additional administrative burden on GCF and its clients.

## **Item 9 – Disciplinary Information**

GCF does not have any reportable disciplinary events.

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

GCF is an indirect subsidiary of Guggenheim Partners, which is a global, diversified financial services firm. Guggenheim Partners, its direct and indirect subsidiaries, and its affiliates (including GCF) and their respective officers, directors, partners, employees, and consultants (collectively, “Guggenheim Entities”), provide their clients with a broad array of investment management, broker-dealer, investment banking, and other services.

GCF also has filed an application for registration as a broker-dealer with FINRA.

In the event that GCF registers as a broker-dealer, GCF expects to periodically provide structuring and other non-investment-advisory services to (a) issuers in structuring and documenting the new issuance of unregistered securities and (b) to borrowers in structuring and documenting loan financings, in each case in connection with, respectively, the placement of such securities with or funding of such loans by clients of GPIM and/or GCF (and, in certain circumstances, with or by third party institutions). GCF will generally receive a fee from the securities issuer or borrower for these services. Such fees are in addition to management fees and, where applicable, performance-based compensation received by GCF in respect of the client accounts to which GCF allocates the investments. GCF may in the future also, to the extent requested by GPIM, act as agent or intermediary in secondary market sales of existing illiquid investments held by one or more GPIM clients seeking to sell their positions in open market or negotiated transactions.

### **Affiliated Broker-Dealers**

Guggenheim Securities, LLC (“Guggenheim Securities”), Guggenheim Investor Services, LLC (“GIS”) and GFD are affiliates of GCF that are registered broker-dealers (Guggenheim Securities, GIS and GFD together, the “Affiliated Broker-Dealers”). Pursuant to the sub-advisory arrangements described herein, GCF will serve as sub-adviser and/or provide portfolio management services to certain GPIM Accounts offered to potential investors by GFD, for which GFD will be paid a placement-agent fee, commission or other compensation.

Guggenheim Securities also periodically acts as underwriter, initial purchaser, placement agent, financial advisor, arranger and/or structuring advisor with respect to a securities offering or loan and will generally receive a fee from the securities issuer or seller or from the loan borrower, as applicable. Guggenheim Securities from time to time also provides investment banking, financial advisory or similar services to issuers, borrowers or other transaction participants in the transaction to which the loan or security relates (such as acquisition financing in a transaction in which Guggenheim Securities represented the buyer or seller). In addition, Guggenheim Securities Credit Partners, LLC (“GSCP”), an affiliate of Guggenheim Securities, from time to time provides bridge or other financing to potential borrowers, or provides arranging, structuring, administrative agent or similar services to potential borrowers, and will generally receive a fee from the loan borrower for such services.

GCF may be offered and may purchase, or recommend purchase of, investment opportunities for its clients in transactions for which its affiliates, Guggenheim Securities or GSCP, are involved, and would have an incentive to purchase such investments where such affiliate will receive a fee. Some transactions, depending on the nature of the transaction and the involvement of such affiliate or related entity, are considered Principal Transactions under Section 206(3) of the Advisers Act or require client consent under the relevant client’s investment guidelines or sub-advisory agreement, as applicable. The fees received by Guggenheim Securities or GSCP from the securities issuer or seller or the loan borrower, as applicable, with respect to the transactions

described above are in addition to management fees and, where applicable, performance-based compensation received by GCF in respect of the client accounts to which GCF allocates the investments. GCF maintains processes to mitigate such potential conflicts of interest — See “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – General Process Regarding Potential Conflicts” for more information.

Guggenheim Securities and/or GFD also provides certain administrative, operations, and infrastructure services to GCF. GCF is also affiliated with other broker-dealers, none of which are material to GCF’s business.

### **Investment Adviser Affiliates**

GCF is affiliated with GPIM, an investment adviser registered with the SEC. GCF has entered into a sub-advisory arrangement with GPIM, under which GCF provides investment advice to GPIM and members of GCF’s investment personnel serve as senior advisers to one or more of GPIM’s investment committees. Under this arrangement, GCF personnel serve as portfolio managers of one or more GPIM Accounts.

GPIM also provides certain investment hedging, investment research and analysis, asset valuation, and related services to GCF with respect to Private Corporate Debt investments and with respect to certain GCF clients only, sourcing services for other fixed income securities and loans.

GCF is also affiliated with Guggenheim Partners Europe Limited (“GPE”), an investment adviser located in Ireland that is registered with the Irish Financial Service Regulatory Authority. GPE is a “Participating Affiliate” of GCF, and provides investment advisory services to GCF with respect to European corporate credit opportunities and related matters. As a Participating Affiliate, GPE operates in compliance with requirements and undertakings as prescribed by the SEC (in addition to applicable local laws and regulation). GPE is subject to GCF’s supervision, including GCF’s Code of Ethics and compliance policies and procedures.

GCF is also affiliated with Transparent Value Private Limited (“TVPL”), a private limited company incorporated under the Indian Companies Act, 1956. TVPL is a “Participating Affiliate” of GCF, and provides investment support services to GCF, including without limitation, research and other related activities. As a Participating Affiliate, TVPL operates in compliance with requirements and undertakings as prescribed by the SEC (in addition to applicable local laws and regulation). TVPL is subject to GCF’s supervision, including GCF’s Code of Ethics and compliance policies and procedures.

GCF is also affiliated with other investment advisers, both registered and unregistered. These affiliate advisers are not material to GCF’s business.

From time to time, GCF’s affiliates including GPIM, as well as other entities owned by Related Personnel (as defined below) or in which such Related Personnel and/or GCF employees have an interest sponsor and/or manage investment funds or other client accounts (including Employee Accounts) that compete directly or indirectly with the investment program of GCF’s clients and/or have investments in funds sponsored or managed by third-party advisers, some of which have business relationships with GCF, that reduce capacity otherwise available to GCF’s clients in such entities.

### **Management Persons; Policies and Procedures**

Certain of GCF's management persons also hold positions with the affiliates listed above and in this "Item 10 – Other Financial Industry Activities and Affiliations" section. In certain of these positions, those management persons of GCF have some responsibility with respect to the business of these affiliates and the overall compensation these management persons receive is often based, in part, upon the profitability of other parts of Guggenheim Partners, as well as Guggenheim Partners itself. Consequently, in carrying out their roles at GCF and these other entities, these management persons are subject to the same or similar conflicts of interest that exist between GCF and these affiliates. GCF has established a variety of restrictions, policies, procedures, and disclosures designed to address conflicts that arise between GCF, its management persons and its affiliates. These policies and procedures include policies and procedures relating to brokerage selection, trading with affiliates or investing in products managed or sponsored by affiliates; and allocation and trade sequencing policies applicable to client accounts. For additional information relating to GCF's general processes to mitigate conflicts of interest, see "Item 6 – Performance-Based Fees and Side-By-Side Management – Allocation" and "Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – General Process Regarding Potential Conflicts."

### **Other Potential Conflicts and Material Relationships with Affiliated Entities**

GCF may make investments for some client accounts that result in commissions, fees, or other remuneration paid to GCF or one of its affiliates, such as (a) GPIM, (b) Guggenheim Securities (and its affiliates), (c) Guggenheim Credit Services, LLC, (d) GPE, an Investment Business Firm under Regulation 11 of European Communities, Markets in Financial Instruments Directive, (e) Guggenheim Loan Services Company, LLC, and (f) GSCP. Such investments may include (i) investments that GCF or one of its affiliates originated, arranged or placed, (ii) investments in which a GCF affiliate provided investment banking, financial advisory or similar services to a party involved in the transaction to which the investment relates (such as acquisition financing in a transaction in which a GCF affiliate represented the buyer or seller), (iii) investments where GCF or its affiliates provided other services to a transaction participant or other third party, (iv) investments where GCF or one of its affiliates acts as the collateral agent, administrator, administrative agent, originator, manager, or other service provider, and (v) investments that are secured or otherwise backed by collateral that could include assets originated, sold or financed by GCF or its affiliates, investment funds or pools managed by GCF or its affiliates or assets or obligations managed by GCF or its affiliates.

As permitted under applicable law and in client agreements, GCF and its affiliates generally will retain any commissions, fees, or other remuneration, arising from the investments described above. Except as required, such commissions, fees, or other remuneration generally does not reduce the management or other fees GCF receives from its advisory clients, though in certain circumstances, GCF will, directly or indirectly, waive or rebate, all or part of any fees it or its affiliates receive in affiliated or related party transactions for some, but not all, of its clients pursuant to an agreement or other arrangement with each such client. Commissions, fees, or other remuneration payable to GCF or its affiliates in these transactions present a conflict in that GCF has an incentive to purchase such investments to earn, or facilitate its affiliates' ability to earn, such additional fees or compensation. GCF seeks to mitigate this conflict of interest (a) by evaluating the transaction to determine if it appears to be a favorable investment for the participating accounts irrespective of such fees and relative to other non-related investment opportunities, (b) by allocating opportunities to invest in such transactions in accordance with GCF's allocation policy, as described in "Item 6 – Performance-Based Fees and Side-By-Side

Management – Allocation” and (c) through the processes described in “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – General Process Regarding Potential Conflicts.”

To the extent permitted by any applicable agreements, GCF may in certain circumstances invest client assets in mutual funds, closed-end funds, private investment funds, and/or exchange-traded funds, some of which may be advised or sub-advised by GCF or a GCF affiliate (including GPIM). A client holding such interests generally will be subject to two fees for the management of these assets, one to GCF and one to the adviser of the underlying fund, which, as noted, may be a GCF affiliate. In other circumstances, GCF may make investments for clients in limited partnerships or similar vehicles. Certain of these vehicles are managed by affiliates of GCF that will be compensated for such management services.

GCF and its affiliates also receive annual management or administrative and incentive fees for certain asset or collateral management services provided to particular investment products (the “Structured Vehicles”) in which GCF has invested, and may in the future invest, client assets. These fees are generally based on either the market value or par value of the underlying collateral, depending upon the structure of the relevant Structured Vehicle. For certain Structured Vehicles for which GCF serves as investment or collateral manager, GCF or its investments may be subject to risk retention requirements under the laws of various jurisdictions, pursuant to which GCF (or its affiliates) would be required to purchase and hold a specified portion of the outstanding securities of the Structured Vehicle (the “Retained Interest”). In such cases, GCF has obtained, and in the future may seek to obtain, financing in order to purchase the Retained Interest from third parties, its affiliates, or from GCF clients, including GCF clients that are affiliated or related parties of GCF. GCF is also considering the establishment of one or more collective investment vehicles (each such, a “Retention Vehicle”) to acquire and hold various Retained Interests, as well as risk retention securities of third party issued and managed structured investment vehicles, and may make interests in such Retention Vehicle available for investment by GCF clients. In the event one or more Retention Vehicles are established and made available for investment by GCF clients, GCF may allocate the opportunity to participate in such Retention Vehicle as described in “Item 6 – Performance-Based Fees and Side-By-Side Management – Allocation”, but all subsequent opportunities to invest in Retained Interests identified by or to GCF would be directed solely to such Retention Vehicle.

Where necessary or appropriate for the transactions described above, as provided by the relevant client investment guidelines, applicable agreements or governing fund documents (as applicable), or under Section 206(3) of the Advisers Act, GCF will disclose to its clients the nature of such transactions prior to the completion of such transaction and will obtain the clients’ consent. In the case of some client accounts, an independent client party or committee will review and provide any requested or required consent for those transactions.

As described in “Item 6 – Performance-Based Fees and Side-By-Side Management – Allocation,” GCF has entered into a sub-advisory arrangement with GPIM pursuant to which it will offer investment opportunities that it sources to GPIM (for certain GPIM clients) and to GCF Direct Clients concurrently.

For more information regarding potential conflicts of interest including participation or interest in client transactions, refer to “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.”

Some officers and directors of Guggenheim Capital and its subsidiaries, other than GCF personnel, (“Guggenheim Related Persons”), have economic interests or voting interests in companies, including insurance companies, and comingled investment vehicles, including Private Funds, which are also advisory clients of GCF or GPIM (“Guggenheim Relevant Entities”). GCF expects to invest on behalf of other clients in issuers in which these companies, investment vehicles or Guggenheim Related Persons have direct and/or indirect interests, which in certain cases are likely to include a controlling or significant beneficial interest. These companies, investment vehicles and other GCF clients may invest in securities at different levels of the capital structure of the same issuer, in some cases at the same time and in other cases at different times. For more information about potential conflicts of interest related to these relationships and investments in different levels of the capital structure, see “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – Participation or Interest in Client Transactions.” In addition, Guggenheim Capital and certain Guggenheim Related Entities have sponsored, and expect in the future to sponsor, one or more special-purpose blank check companies that seek to acquire control of one or more businesses through a future merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination (each, a “SPAC”). While these SPACs will not be managed by GCF, senior Guggenheim Related Persons have been and expect to be appointed as directors of the SPACs (any such person, a “Guggenheim SPAC Director”) or otherwise provide services or have a role with respect to the SPACs (including a financial interest), either in their individual capacities or on behalf of Guggenheim Capital, and an affiliate of an advisory client of GCF will have a direct or indirect financial interest in, and/or other role with, the SPACs.

Certain advisory or other clients which are Guggenheim Related Entities have provided, and from time to time may provide, significant loans and other financing to GCF and its affiliates, both directly and indirectly. Other clients have economic or voting interests, which in certain cases are likely to be controlling or otherwise material interests, in issuers in which GCF will invest on behalf of its clients or to which GCF will provide financing on behalf of its clients. These conflicts and potential conflicts are addressed and mitigated as described below.

In addition, one or more Guggenheim Related Entities have direct or indirect economic interests in companies and comingled investment vehicles, including Private Funds, which are advisory clients of GCF.

No Guggenheim Related Persons have any allocation authority among client portfolios, and the conflicts are addressed and mitigated as described below.

For further information, see “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – Participation or Interest in Client Transactions”.

The above relationships pose conflicts of interest in transactions that involve both affiliated company/investment vehicle advisory clients and other advisory clients, because GCF has an incentive to favor affiliated clients. These incentives are more pronounced where GCF has multiple relationships with the affiliated client. For example, where an advisory client of GCF has a direct or indirect interest in the SPACs, GCF could have an additional incentive to favor the interests of that GCF client, including by foregoing or recommending investment opportunities in order to directly or indirectly benefit that GCF client. Such conflicts are directly and purposefully mitigated by GCF’s designed allocation policies and procedures with respect to the allocation of investment opportunities, all more fully described in “Item 6 – Performance-Based Fees and Side-By-Side Management,” which provide that such investment opportunities must be allocated in a fair and equitable manner. Guggenheim Related Persons are not permitted to influence final allocation



decisions. Additionally, Guggenheim Related Persons are not involved in the GCF investment process. For more information regarding GCF's process for mitigating potential conflicts, see "Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – General Process Regarding Potential Conflicts and Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Conflicts Resulting from Investment Management Activities."

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

### **Code of Ethics and Personal Trading**

GCF has adopted a Code of Ethics ("Code") and Insider Trading Policy to comply with Rule 204A-1 under the Advisers Act. The Code includes procedures and limitations that govern the business conduct and personal securities trading of persons associated with GCF. The Code is based upon the principle that GCF's employees owe a fiduciary duty to clients to conduct their affairs, including their personal securities transactions and private investments, in a manner intended to avoid: (i) serving their own personal interests ahead of clients; (ii) taking inappropriate advantage of their position with the firm; and (iii) any actual or potential conflicts of interest or any abuse of their position of responsibility.

Clients may obtain a copy of the Code by contacting [GIInstitutionalCompliance@guggenheimpartners.com](mailto:GIInstitutionalCompliance@guggenheimpartners.com).

Additionally, all personnel are subject to policies and procedures regarding confidential and proprietary information, information barriers, private investments, personal loans, outside business activities, gifts and entertainment and political contributions.

Subject to the provisions of the Code described above, GCF and its related persons may from time to time buy or sell, for their own accounts, the same securities they buy or sell for, or recommend to, GCF clients. Such trading is performed independently of the trading activities in client accounts. Related persons may also make investments for their own accounts in securities that are not offered or available to GCF's clients.

GCF and its personnel are not permitted to trade in securities with respect to which any of them obtains material non-public information ("MNPI"), including information obtained from public companies or companies with tradable securities which are clients of GCF or such affiliates. GCF and its personnel may also be restricted from trading in securities with respect to which personnel of certain investment advisory affiliates, such as GPIM, obtain MNPI. If GCF or certain investment advisory affiliates receive MNPI about certain issuers, such issuers will be placed on the restricted list. The restricted list is a list of issuers the securities of which GCF, certain investment advisory affiliates and their respective employees are restricted from trading. For example, securities will be added to the restricted list in the following circumstances:

- Where there is a concentration of ownership in a security and GCF's clients already own a substantial portion of the publicly held outstanding shares;
- When GCF, certain of its investment advisory affiliates or their respective employees (including Guggenheim Related Persons providing services to the affiliate) come into possession of MNPI about

a public company or another issuer of securities, such as business plans, earnings projections, or merger and acquisition plans, including when conducting initial diligence of, or entering into more significant discussions regarding, a potential acquisition target for a SPAC;

- When GCF or certain of its investment advisory affiliates enter into a contractual agreement with the company not to trade in the company's securities for a period of time; or
- When the CCO determines that pre-clearance of trading in a security is required or desirable as an internal control to ensure continued compliance with applicable law and regulation.

With limited and specific exceptions, the securities of issuers on the restricted list may not be traded in GCF client or employee personal accounts. Client accounts may be forced to deviate from their stated objectives because an issuer is restricted. Specifically, the restricted list generally prohibits GCF from buying or selling the issuer's or an affiliate's securities in client accounts. If an issuer's securities are in a client account and subsequently that issuer's securities are placed on the restricted list, absent an exception, GCF will not trade that issuer's securities in the client's account until those securities are removed from the restricted list. Clients will bear the risk of loss during the period any such securities are on the restricted list. Accordingly, the placement of issuers' securities on the restricted list has the potential to affect GCF's exercise of discretion over and the performance of client accounts.

### **Participation or Interest in Client Transactions**

GCF, from time to time, on behalf of clients, may initiate or recommend transactions in the securities of companies in which GCF's affiliates have controlling or other material direct or indirect interests or are affiliated. In addition, in some circumstances, GCF on behalf of its clients may invest in or provide financing to issuers or borrowers, or otherwise participate in transactions, in which the issuer, borrower or another transaction party (such as a placement agent or arranger) is, or is a subsidiary or affiliate of or otherwise related to, (a) another GCF client, or (b) a related company or other company in which related persons of GCF, or officers or employees of GCF, have investment, financial or other interests, or relationships (including but not limited to directorships or equivalent roles).

Additional conflicts arise to the extent GCF invests client assets in parts of an issuer's or borrower's capital structure when GCF affiliates, another GCF client (including one or more Employee Accounts), related persons and/or one or more of the SPACs invest in different parts of the same issuer's or borrower's (or its affiliate's) capital structure (including but not limited to investments in public versus private securities, investments in debt versus equity, or investments in senior versus subordinated debt), or where the same or similar instruments in a given issuer or borrower held by different GCF clients, GCF's affiliates, related persons and/or one or more of the SPACs have different rights or benefits. The following conflicts often arise in such situations: (i) GCF has an incentive to consider the interests of its Employee Accounts, affiliates, related persons and/or one or more of the SPACs, including any potential adverse effects to its Employee Accounts, affiliates, related persons and/or one or more of the SPACs, when deciding whether or not to enforce rights on behalf of its clients, (ii) GCF has an incentive to invest GCF client funds in the issuer or borrower to either facilitate or obtain preferable terms for a proposed investment by a GCF Employee Account, affiliate, related person and/or one or more of the SPACs in such issuer or borrower, or (iii) GCF has an incentive to preserve or protect the value or rights associated with an existing economic interest of a GCF Employee Account, affiliate,

related person and/or one or more of the SPACs in the issuer or borrower, which may have an adverse effect on the interests of GCF clients.

The financial interests of GCF's Employee Accounts, affiliates or related persons in issuers and borrowers create a potential conflict between the economic interests of these affiliates or related persons and the interests of GCF's clients. In addition, to the extent a prospective issuer or borrower (or one of its affiliates) is a GCF advisory client, or a GCF advisory client is a lender or financing provider to GCF or its affiliates, a potential conflict exists, as GCF has an incentive to favor the interests of those clients relative to those of its other clients. However, as discussed below in "General Process Regarding Potential Conflicts," GCF has developed procedures to address potential conflicts of interest involving such transactions.

GCF or its affiliates or related persons, or their respective officers, directors or employees, including portfolio managers or senior managers of GCF (together, "Related Personnel"), also have direct or indirect proprietary or personal investments in and/or have financial or other relationships (including but not limited to directorships or equivalents roles) with certain GCF or GPIM clients or other investment vehicles (including current or expected Private Funds or other future vehicles managed by GPIM or other GCF affiliates, including Employee Accounts). These investments and other relationships create potential conflicts of interest. For example, a conflict could exist to the extent that portfolio managers or senior GCF personnel or other Related Personnel or investment vehicles in which they participate, have direct or indirect personal investments in certain clients, including sub-advised clients or Employee Accounts, or when certain client accounts are investment options in GCF's employee benefit and/or deferred compensation plans. Investment vehicles in which Related Personnel have an interest (including Employee Accounts) also receive loans or other funding from Guggenheim Relevant Entities. Where such participations or interests in client accounts exist, they create an incentive for GCF to favor these clients over other advisory clients.

Conflicts of interest between GCF, its affiliates or Guggenheim Related Persons and GCF clients with respect to the situations described above are identified and managed by GCF compliance personnel designated to review transactions in which conflicts of interest may exist, as described under "Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – General Process Regarding Potential Conflicts." Appropriate management may include but is not limited to obtaining specific client consent for the applicable transaction both as required by applicable law and regulation, including for principal transactions subject to Section 206(3) of the Advisers Act, or as required by client investment guidelines, IMAs or governing fund documents, or where otherwise determined necessary or appropriate.

GCF's allocation policies and procedures with respect to the allocation of investment opportunities, more fully described in "Item 6 – Performance-Based Fees and Side-By-Side Management," are intended to mitigate conflicts by providing that such investment opportunities are monitored and are allocated fairly and equitably in a manner consistent with GCF's applicable policies and procedures. For additional information regarding GCF's process for mitigating potential conflicts, see "Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading – General Process Regarding Potential Conflicts."

### **Cross Trades and Principal Transactions**

GCF from time to time may engage in cross trades between its client accounts or between its client accounts and client accounts of its investment adviser affiliates including, without limitation, GPIM and Guggenheim

Partners Europe Limited, in which one such client will purchase securities or other financial instruments held by another client, only so long as the transaction is in the best interests of both clients and GCF, or an affiliate, does not receive any compensation in addition to its management fee (and any associated performance or incentive fee) in connection with the transaction. Cross trades present an inherent conflict of interest because GCF (or its affiliate, as applicable) represents the interests of the selling account and the buying account in the same transaction, and GCF would, in certain circumstances, have an incentive to treat one counterparty to the cross trade more favorably than the other party. Additionally, the price of a security bought or sold through a cross trade is not certain to be as favorable as it might have been had the trade been executed in the open market, and any benefits of a cross trade will not necessarily be equally distributed among participating clients. GCF has policies and procedures to mitigate these potential conflicts of interest and help ensure that internal cross trades are in the best interests of, and appropriate for, all clients involved and the transactions are consistent with GCF's obligation to seek best execution.

GCF will seek to effect cross trades at a price that is fair to the clients involved. This generally will be the last traded price, a price obtained from an independent third-party source, such as a pricing service, or the average price obtained from three independent dealers, when available and reliable in accordance with GCF's valuation policies and procedures. GCF will typically attempt to identify potential dealers by consulting available databases and utilizing dealer communication tools (*e.g.*, Bloomberg message function), to search for potential dealers from whom GCF can obtain a price for the security to be cross-traded. GCF may also contact other dealers with whom GCF has traded in the past, or who are known to be active in the particular industry sector of the asset in question.

There are circumstances when three independent offers and bids are not available or reliable, or the last traded price is believed not to reflect the market. The quantity and source of any independent quotes from unaffiliated dealers will vary depending on, among other things, market conditions, the dealer's familiarity with the asset class, the type of asset class, and various characteristics of a security (*e.g.*, liquidity, rating, new issuances). Further, GCF evaluates quotes to consider whether any such bid and/or ask is reflective of the security's value, and whether any such bid and/or ask should be deemed unreliable or an outlier and, therefore excluded as not reflective of an accurate price for the security. In such circumstances, GCF can use fewer independent bids and/or offers.

However, there are still instances where no reliable quotes are available. The illiquid nature of the market for leveraged loans and securities that are not publicly traded and that trade infrequently (such as private debt investments, asset-backed securities, mortgage-backed securities, other structured finance securities and certain corporate bonds) will often mean that GCF cannot readily locate dealers willing to provide a quote for such securities and loans, or such a quote is unreliable. If no quotes are available or reliable, GCF will proactively solicit dealer bids, or effect a cross trade at a price determined using other methods outlined in its security pricing policy and appropriate for the transaction or instrument in question, such as third-party pricing vendors or fair valuation models.

On rare occasions, GCF or an affiliate will be in possession of restricted information about an asset to be cross-traded that is not reflected in the market-based price for the asset. In accordance with its effort to effect cross trades at prices that are fair to both buyers and sellers, GCF will take the restricted information into account when determining a cross trade price. As a result, the cross trade price may be different from the market-based price. The method by which GCF determines this price will depend on the facts of each case.

GCF will not charge a mark-up/mark-down for cross trades. From time to time, cross trades will be effected in which one or both sides of the cross trade is an affiliate of GCF, or in which a GCF affiliate charges a mark-up or commission for securities or other financial instruments GCF purchases from such affiliate or another affiliate.

GCF has developed policies and procedures addressing principal transactions, cross trades, including those with affiliates, and agency cross trades. In particular, where necessary or appropriate, GCF discloses to its clients the nature of the transaction prior to the completion of such transaction and obtains the clients' consent. See "General Process Regarding Potential Conflicts" for more information regarding GCF's general processes to mitigate such potential conflicts of interest.

### **Investment Banking Activities**

GCF believes that the nature and range of investment banking clients and other customers to whom our affiliate broker-dealer, Guggenheim Securities, renders investment banking, financial advisory and other services is such that it would be inadvisable to exclude such clients or customers from a GCF client's portfolio. Accordingly, unless a client advises us to the contrary, it is possible that such account's holdings will include the securities or other financial instruments of corporations or other entities for whom Guggenheim Securities performs investment banking and other services, including but not limited to financial advisory or financing services. Moreover, GCF clients' portfolios will sometimes include the securities of companies in which Guggenheim Securities makes a market.

Guggenheim Securities and GCF are separated by an information barrier, which generally mitigates any impact of Guggenheim Securities investment banking activities on GCF's trading and investment activities in securities or other financial instruments.

At times, federal securities laws will prevent GCF from entering into or recommending certain types of transactions in the securities or other financial instruments of companies for which Guggenheim Securities, as an affiliated broker-dealer, is performing investment banking or other services.

### **Conflicts Resulting from Investment Management Activities**

GCF is an indirect subsidiary of Guggenheim Partners, which is a global, diversified financial services firm. The Guggenheim Entities provide their clients with a broad array of investment management, broker-dealer, investment banking, and other similar services which create potential and actual conflicts of interest, including, for example, the situations described below.

Both GCF and some Guggenheim Entities manage long and short portfolios. The simultaneous management of long and short portfolios creates potential conflicts of interest in portfolio management and trading in that opposite directional positions from time to time have been, and may in the future be, taken in client accounts advised by the same investment or portfolio management team, which creates potential risks such as (i) the risk that short sale activity in one client portfolio could adversely affect the market value of long positions in one or more other client portfolios (and vice versa) and (ii) the trading/best execution risks associated with the trading desk receiving and executing opposing orders in the same security simultaneously. GCF has adopted policies and procedures that are reasonably designed to mitigate these potential conflicts.

The Guggenheim Entities invest on behalf of themselves in securities and other instruments that would be appropriate for, be held by, or fall within the investment guidelines of, GCF's clients. The Guggenheim Entities give advice or take action for their own accounts that may differ from, potentially conflict with or be adverse to advice given or action taken for any of their clients or GCF's clients.

Potential conflicts also arise because certain securities or instruments are held in some client accounts but not held in others, because various client accounts have different levels of holdings in certain securities or instruments, and because various client accounts pay different levels of fees.

GCF personnel sometimes will also give advice or take action with respect to the investments of one client account, and not give the same advice or take the same action with respect to other client accounts with similar investment guidelines, objectives, and strategies. Accordingly, client accounts with similar strategies may not hold the same securities or instruments or achieve the same performance. GCF also expects to advise client accounts with conflicting guidelines, objectives or strategies. For further detail, see "Item 6 – Performance-Based Fees and Side-By-Side Management."

GCF's affiliates currently serve, and GCF is permitted to serve, as general partner or equivalent of several Private Funds and other private investment vehicles for which they either currently or expect in the future to act as direct or indirect investment manager. GCF also provides discretionary and non-discretionary sub-advisory services to other registered investment advisers in connection with their management of Private Funds.

Different clients of GCF and its affiliated advisers have invested and are expected in the future to invest, pursuant to one transaction or in a series of transactions over time, in different parts of an issuer's or borrower's capital structure (including but not limited to investments in public versus private securities, investments in debt versus equity, or investments in senior versus subordinated debt), depending on the respective client's investment objectives and policies. As a result, GCF expects, and expects its affiliated advisers, at times to seek to satisfy their respective fiduciary obligations to their respective clients owning one type or class of investment in a particular issuer or borrower by pursuing or enforcing rights on behalf of those clients, and those activities will likely have an adverse effect on another client, which owns a different, including more senior or junior, investment in the same issuer or borrower. For example, if one client holds debt securities of an issuer and another client holds equity securities of the same issuer, if the issuer experiences financial or operational challenges, GCF (or an affiliated adviser) may seek a liquidation of the issuer on behalf of the client that holds the debt securities, whereas the client holding the equity securities may benefit from a reorganization of the issuer. Thus, the actions taken on behalf of one client by either GCF or an affiliate adviser may negatively impact investments held by another GCF client.

Any of the foregoing activities can adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more client accounts, which have, and in the future could, adversely impact the financial returns of GCF's clients.

GCF also from time to time expects to enter into arrangements with, or establish certain collective investment vehicles for, certain clients, including affiliated and unaffiliated insurance companies, pursuant to which GCF agrees to share a portion of the fees, commissions, remuneration, or profits otherwise retained by GCF and its affiliates in certain transactions. For more information on transactions involving affiliated entities, including related insurance companies, please see "Item 10 – Other Financial Industry Activities and Affiliations – Other

Potential Conflicts and Material Relationships with Affiliated Entities.” The foregoing arrangement may, depending on the circumstances, result in an incentive for GCF to favor or disfavor clients participating in these arrangement or vehicles relative to other advisory clients. GCF’s allocation policies and procedures with respect to the allocation of investment opportunities, more fully described in “Item 6 – Performance-Based Fees and Side-By-Side Management,” are intended to mitigate potential conflicts by providing that such investment opportunities are monitored and are allocated fairly and equitably consistent with GCF’s policies and procedure. .

As described in “Item 6 – Performance-Based Fees and Side-By-Side Management – Allocation,” GCF has entered into a sub-advisory arrangement with GPIM pursuant to which investments sourced by GCF will be offered to GPIM (for certain GPIM clients) and to GCF Direct Clients concurrently. GPIM has no obligation to offer investment opportunities to GCF. These allocation procedures will have an adverse effect on GCF’s clients because GPIM will seek to allocate attractive investment opportunities to its clients, thereby reducing the amount available for investment by other GCF clients.

As noted above, GPIM (and its personnel) provide certain investment research and analysis, asset valuation and related services to, or as employees of, GCF; and GPIM expects to provide similar services to other Guggenheim Entities. Personnel who perform such services face conflicts of interest. For example, in certain circumstances such personnel will receive a greater portion of their compensation for services to GPIM (or another Guggenheim Entity) than for services to GCF, creating an incentive for such personnel to favor services provided to such Guggenheim Entity and/or its clients. In addition, certain Guggenheim Entities (and their personnel) that provide administrative or related services to GCF also provide such services to other Guggenheim Entities, and certain personnel of such Guggenheim Entities are expected to hold positions at GPIM. Any personnel who perform services on behalf of, or provide services to, GCF and GPIM, or any other Guggenheim Entity, will face conflicts of interest.

Finally, GCF has potential conflicts in allocating its time and services among its clients. GCF devotes as much time to each client as it deems appropriate to perform its duties in accordance with each client’s applicable agreement.

### **General Process Regarding Potential Conflicts**

The transactions described above involve potential conflicts of interest between GCF or its related persons and GCF clients. The Advisers Act, the 1940 Act and the Employee Retirement Income Security Act of 1974 impose certain requirements designed to decrease the possibility of conflicts of interest between an investment adviser and its clients. In some cases, transactions may be permitted subject to fulfillment of certain conditions. Certain other transactions may be prohibited. In addition, GCF has instituted policies and procedures designed to identify and mitigate potential conflicts of interest to the extent they arise in particular transactions and to ensure that GCF effects such transactions in a manner that is consistent with its fiduciary obligations and in accordance with applicable law.

Transactions involving potential conflicts of interest may be also elevated for review by the Guggenheim Capital Conflicts Review Committee (the “CRC”). The CRC members are senior Guggenheim executives who are not employees or clients of GCF. GCF has implemented written procedures that require CRC review of certain transactions involving potential conflicts of interest. The CRC members review such transactions on a case-by-

case basis and, whenever necessary in its judgment, obtain advice from outside counsel to assure compliance with all applicable law. For any transaction elevated to the CRC for review, affirmation of approval by the CRC is required before the transaction may be executed on behalf of any GCF advisory clients, including when appropriate stopping such transaction.

GCF seeks to ensure that potential or actual conflicts of interest are appropriately resolved, taking into consideration the best interest of all clients involved. Appropriate resolution will depend on the nature of the transaction and the conflict of interest, but may include, without limitation, (a) general disclosure in this brochure, or in advisory or sub-advisory agreements for the relevant clients, or in specific client notifications, or (b) specific client consent for the applicable transaction both as required by applicable law and regulation — including for principal transactions subject to Section 206(3) of the Advisers Act or as required by client investment guidelines or advisory or sub-advisory agreements, or where otherwise determined necessary or appropriate.

Certain GCF compliance personnel have been designated to review transactions in which conflicts of interest may exist, including those described above, to ensure compliance with applicable GCF policies and legal or regulatory requirements.

## **Item 12 – Brokerage Practices**

### **Counterparty/Broker Selection**

In selecting a counterparty/broker-dealer to execute trades on behalf of clients, GCF seeks to obtain “best execution” for client transactions (*i.e.*, the most favorable price and execution). In seeking best execution, GCF is not obligated to choose the counterparty offering the lowest available commission rate if, in GCF’s reasonable judgment; (i) there is material risk that the overall cost to purchase securities will be higher or the proceeds from the sale of securities will be lower; (ii) a higher commission is justified by the trading or research services provided by the counterparty that fall within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended; or (iii) other considerations, such as the order size, the time required for execution, the depth and breadth of the market for the security, minimum credit quality considerations to transact business with a particular counterparty, or the quality of the counterparty’s operations dictate utilizing a different counterparty.

### **Counterparty/Brokerage Approval Policy and Procedures**

GCF will adopt a Counterparty Approval Policy pursuant to which it maintains an Approved Counterparty List. The Approved Counterparty List sets out counterparties/broker-dealers approved by GCF that advisory personnel may use to execute client transactions. Transactions may only be executed with counterparties/broker-dealers on the Approved Counterparties List unless an exception is granted by an authorized person under the Counterparty Approval Policy. Initially and on an ongoing basis, GCF consults a variety of information relating to a counterparty/broker-dealer, including regulatory reports and financial information, in connection with adding and maintaining a counterparty to the Approved Counterparty List. Generally, counterparties on the Approved Counterparty List must, in GCF’s opinion, have financial stability and a positive reputation in the industry. GCF may execute client transactions through Guggenheim Securities, in which case GCF is required to seek best execution for its clients. More information regarding GCF’s



relationship with affiliated broker-dealers is in “Item 10 – Other Financial Industry Activities and Affiliations – Affiliated Broker Dealers.”

### **Soft Dollar Policy**

GCF does not participate in soft dollar arrangements.

### **Directed Brokerage**

GCF does not participate in directed brokerage.

### **Client Referrals**

GCF does not direct trades to brokers on the basis of client referrals or solicitations made by such brokers. GCF may execute client transactions through affiliated broker-dealers which solicit clients for GCF. GCF will direct execution to such brokers subject to best execution and proper disclosure to clients.

### **Wrap Fee Program**

GCF does not participate in or sponsor a wrap fee program.

### **Aggregation Policy**

In order to minimize execution costs and obtain best execution for clients, trades in the same security transacted on behalf of more than one GCF client may be aggregated. Aggregation practices are described in “Item 6 – Performance-Based Fees and Side-By-Side Management.”

## **Item 13 – Review of Accounts**

### **Reviews**

Client accounts will be periodically reviewed by a combination of designated investment professionals, risk management, operations and investment committees. SMA clients generally receive quarterly performance and holdings reports and monthly holdings and transaction reports directly from the client’s custodian. GCF has internet access to most statements through the custodian’s website. Generally, no less than monthly, GCF reconciles its record of the client positions to the statements received from the custodian. GCF may also provide performance reports at the request of the client.

Any Private Funds managed by GCF generally would have an independent trustee or a qualified custodian that would provide to GCF a monthly or quarterly account statement that contains holdings details, transaction details and measures of the underlying characteristics of the Private Fund’s portfolio against its respective indenture requirements (if applicable). Private Fund investors generally have access to periodic and annual reports as specified in the relevant Private Fund documentation. All such reports are in writing and may be delivered by electronic means.

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

GCF from time to time may enter into arrangements with both affiliated and unaffiliated third-party promoters, including Affiliated Broker-Dealers, to refer prospective advisory clients and private funds investors to GCF. These arrangements would be structured to comply with Rule 206(4)-1 under the Advisers Act. Such promoters' compensation would be based on a percentage of the management fees, performance-based compensation, or a combination of both, earned by GCF from the referred client or investor, or on commissions deducted from an investor's investment in a private fund. In the case of Affiliated Broker-Dealers, referred clients and investors would receive disclosure about the affiliation between GCF and such Affiliated Broker-Dealer.

The response to Item 10 above provides information regarding (i) GCF's and its affiliates' receipt and retention of fees and other compensation for origination, structuring, arranging, placement and other services provided in relation to transactions in which GCF invests client assets, (ii) investments by GCF of client assets in limited partnerships or similar vehicles holding assets that are managed by GCF or its affiliates and for which GCF or such affiliates receive management, administrative or other fees or compensation in addition to account-level management fees payable to GCF, and (iii) GCF's receipt of management fees services provided to structured vehicles.

## **Item 15 – Custody**

GCF is deemed to have custody and/or control of the assets of Private Funds by reason of serving as general partner, managing member, or in a similar capacity with regard to each such Private Fund. Generally, GCF relies on the audit exception to Rule 206(4)-2 under the Advisers Act (the "Custody Rule") with respect to its Private Funds. In accordance with applicable Custody Rule requirements under the Advisers Act, investors in each Private Fund receive audited financial statements annually.

If necessary, to satisfy the Custody Rule, GCF will rely on annual surprise examination by an independent public accountant to meet applicable Custody Rule requirements. In such circumstances, SMA clients and Private Fund investors are urged to review account statements received directly from their custodian or trustee and to compare these statements to any statements received from GCF or an affiliate.

Some of the loans held in GCF client's portfolios are originated or otherwise sourced by GCF or its affiliates. Such loans are generally funded by GCF clients, some of which are affiliates, and occasionally may be funded by third parties which are not clients of GCF. In many cases GCF's affiliate, Guggenheim Credit Services, LLC ("GCS"), will serve as administrative agent for the loans.

As administrative agent to the loans, GCS performs the duties and responsibilities typically assigned to an administrative agent for and on behalf of each loan; applies the terms of each credit agreement; and has no authority to determine how cash is used, allocated or disbursed.

A single bank account (the “Account”) established by GCS in its name and maintained by a U.S. bank that is a “qualified custodian” facilitates the movement of cash to and from lenders and borrowers, as applicable (unless an independent third party has been retained to handle payments).

In connection with the loans, it is likely that, under the Custody Rule, GCF would be deemed to have custody of the assets in the Account because its affiliate, GCS, serves as the administrative agent to the loan and has access and authority to obtain the cash in the Account. Further, GCF would be deemed to have custody of the assets of the clients for which it or an affiliate serves as general partner or managing member, as applicable and for which it has the authority to withdraw client funds from a separately managed account pursuant to an investment advisory agreement, if any.

On December 20, 2018, the staff issued a no-action letter to Madison Capital Funding (“Madison Capital” and such letter the “Madison Capital Letter”) regarding the utilization of an agency account with respect to syndicated loans for which Madison Capital served as administrative agent. In the Madison Capital Letter, the staff stated that it would not recommend enforcement action against Madison Capital for violation of the Custody Rule if Madison Capital did not comply with certain provisions of the Custody Rule with respect to its agency account, provided certain conditions were satisfied.

GCF’s arrangement with GCS and its agency account is similar to the arrangement described in the Madison Capital Letter in that (i) the assets of GCF’s advisory clients (and sometimes third parties) are commingled in the Account, and (ii) the qualified custodian of the Account does not send account statements to the loan participants. Accordingly, GCF and GCS intend to fully comply with and rely upon the Madison Capital Letter with respect to the Account.

## **Item 16 – Investment Discretion**

GCF has investment discretion over certain of its client accounts. GCF generally does not expect to control investment decisions made in connection with the services provided by GCF to GPIM under the sub-advisory agreement described herein, subject to certain exceptions.

GCF generally will be granted limited or no investment discretion with respect to its non-discretionary investment advisory or investment management accounts (or the specific asset types or sub-portfolios of discretionary accounts to which consent requirements pertain). Limited discretion within an otherwise non-discretionary account could include discretion over activities such as trade execution or voting on corporate actions, but will generally not permit purchases or sales to be made by GCF with respect to account assets without the specific prior consent of the client. See “Discretionary v. Non-Discretionary Accounts.”

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

GCF generally is responsible for voting proxies with respect to securities held in client accounts for which it has discretionary investment authority.

Where GCF has been delegated the responsibility of voting proxies, it will take reasonable steps under the circumstances to ensure that proxies are received and voted in accordance with its fiduciary obligations to its clients and in the best long-term interests of its clients in a manner consistent with the client's investment objectives. This generally means voting proxies with a view to enhancing the value of the securities held in client accounts, considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of the proxy vote. GCF's authority is initially established by its advisory contracts with the client or comparable documents. Clients, however, may change their proxy voting direction at any time.

In voting proxies, GCF will follow procedures that are designed to identify conflicts of interest that could arise between GCF and its clients. Any material conflicts of interest between GCF and its clients with respect to proxy voting are resolved in the best interests of the clients. GCF may refrain from voting where it believes abstaining would be in the best interests of its clients.

Clients may obtain a copy of GCF's proxy voting policy and information about how GCF voted proxies on their behalf by contacting their GCF administrative representative.

## **Item 18 – Financial Information**

GCF does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and thus has not included a balance sheet for its most recent fiscal year. GCF is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. Additionally, GCF has not been the subject of a bankruptcy proceeding.