



**CREDIT SUISSE ASSET MANAGEMENT, LLC**

**DISCLOSURE BROCHURE**

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**This brochure provides information about the qualifications and business practices of Credit Suisse Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (877) 435-5264 or [www.credit-suisse.com](http://www.credit-suisse.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.**

**Additional information about Credit Suisse Asset Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Credit Suisse Asset Management, LLC is an investment adviser registered with the SEC. Registration with the SEC does not imply a certain level of skill or training.

## ITEM 2: MATERIAL CHANGES

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This brochure is intended to provide potential and existing clients with an overview of Credit Suisse Asset Management, LLC (the “Registrant”). It also contains important disclosures regarding items such as certain practices of the Registrant, potential material conflicts that may arise and key potential investment risks.

The Registrant also makes changes throughout its brochure in an effort to improve and clarify the description of its and its affiliates’ business and compliance practices or in response to evolving industry and firm practices. There has been a material change made to the Registrant’s brochure since the update of the brochure dated July 11, 2023 concerning:

### *Disciplinary Information (Item 9)*

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

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## ITEM 4: ADVISORY BUSINESS

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Credit Suisse Asset Management, LLC, (the “Registrant” and together with its affiliates “Credit Suisse” or “CS”) is an indirect wholly owned subsidiary of UBS Group AG, a publicly-owned foreign bank holding company based in Switzerland. The Registrant was organized in 1999, and managed on a discretionary basis approximately \$65.37 billion of regulatory assets under management as of December 31, 2022.

The Registrant’s portfolio management teams provide discretionary and non-discretionary investment advice to various types of advisory clients, including:

- U.S. registered and foreign investment companies.
- private pooled investment vehicles that may be organized as domestic and offshore limited partnerships, limited liability companies or similar investment vehicles; structured investments vehicles, such as collateralized loan obligations (“CLOs”); special purpose vehicles; alternative investment vehicles; co-investment vehicles; and single investor funds (collectively, “Funds”).
- separately managed accounts for various types of clients, including public and private pension plans, corporations, not for profits, insurance companies, high net worth individuals and other business entities.

These advisory clients are referred to broadly as “clients” in this brochure. The Funds’ underlying investors are generally either accredited investors and qualified purchasers or non-U.S. persons, depending on the eligibility requirements of the particular Fund. Those investors, who may receive a copy of this brochure, are not clients of the Registrant for purposes of the federal securities laws with respect to their Fund investment.

The Registrant’s portfolio management teams employ different strategies in providing investment advice depending on the type of client and strategy employed. The Registrant may offer advice on a variety of investments, including investments in hedge funds, private placements, venture and post-venture capital companies, commodities, futures, options, debt securities issued by foreign governments, foreign governmental agencies and supranational organizations, debt securities issued by U.S. and non-U.S. corporations, debt securities issued by U.S. municipalities, securitizations, loans and equity investments in CLOs, U.S. equities, emerging markets equities, international equities, run-off property and casualty business, and private equity investments. The Registrant does not provide tax services, including any form of tax advice.

The Registrant’s investment strategies are offered through various channels. Some investment strategies are sold through affiliates of the Registrant, including Credit Suisse Securities (USA) LLC (“CSSU”). Certain other investment strategies are offered through third-party platforms or placement agents, while portfolio management and investment advice is provided by the Registrant. The Registrant also provides discretionary investment management to high net worth individuals, trusts and other investors through wrap fee programs or dual contract programs sponsored by broker-dealers or other financial institutions. In such programs, the sponsor provides a platform where investors can choose a variety of service providers to invest and manage their account. Generally, clients in a wrap program also pay to the program sponsor one bundled or

“wrapped” fee that covers investment management, trade execution, custodial and other fees. In a wrap fee program, an investor enters into an advisory agreement with the sponsor and the sponsor enters into a separate master agreement with the Registrant. In a dual contract program, a participant enters into an investment advisory agreement with the sponsor and a separate agreement with the Registrant.

In cases where the Registrant is an investment advisor to a wrap or dual contract account, these accounts are generally managed in the same manner as other accounts that follow the same strategy. The Registrant is paid an investment management fee based on the amount of assets it manages in the wrap program by the wrap program’s sponsor. In dual contract accounts, fees and payment are governed by the agreement that the client executes directly with the Registrant.

For the strategy offered to wrap program clients, the Registrant only effects transactions in municipal fixed income securities and U.S. Treasury debt. Wrap program participants should refer to Item 5, subsection “*Wrap Programs*” for information regarding the trading costs as they will not receive the same trading cost benefits typically associated with equity based strategies in a wrap program. The Registrant does not undertake any initial or ongoing responsibility to assess for any wrap program client the value of the services provided by the wrap sponsor. For wrap program clients, the sponsors are responsible for determining the suitability and eligibility of potential participants (including any applicable investor qualifications) in the investment strategy selected.

You should assess the arrangement between the Registrant and the third-party platform or consultant when considering whether to invest in a strategy offered by the Registrant, as the fee structure and the potential conflicts of interest with the Registrant and its affiliates may vary depending on the particular arrangement. For additional information concerning fees payable by the Registrant’s clients and the interests of the Registrant and its affiliates in client transactions, see Items 5 and 10 below. For additional information about brokerage arrangements, see Item 12 below.

Subject to the requirements of applicable law and the consent of each client, the Registrant may invest client assets in Funds managed by the Registrant or its affiliates (“Participating Funds”) which, in turn, purchase securities or other assets. The management and control of each Fund is vested exclusively in its general partner, investment manager or other similar managing entity (each, a “General Partner”), which generally is the Registrant or one of its affiliates.

An investment opportunity may involve one or more other clients co-investing in a company (a “Portfolio Company”). Except as expressly provided otherwise in the applicable partnership agreement or investment management agreement, any investment in one class or series of securities of a Portfolio Company pursuant to any investment opportunity, generally, shall be made by the participating clients directly or through a single Fund, and all clients shall participate in such investment on the same terms. However, to the extent necessary or desirable to address accounting, tax or regulatory considerations, any such investment may be made in one class or series of securities of a Portfolio Company pursuant to a single investment opportunity in part as a Fund or other client investment, and in part as a parallel investment or in whole or in any part as an investment directly by the client and/or through one or more Funds, including special investment vehicles. If such Funds are used to make an investment, the interests of a limited

partner, member or similar investor (each, a “Limited Partner”) in such vehicle will generally be structured in such a manner that would be reasonably expected to preserve in all material respects the overall economic relationship of the Limited Partners.

The following is a description of the strategies employed by the Registrant’s various portfolio management teams:

**Quantitative Investment Strategies (“QIS”)**

QIS is a provider of liquid alternative and factor-based investing benchmarks and solutions. The group employs a rigorous, research-based investment process to manage both benchmark relative and absolute return investment strategies.

**Credit Investments Group (“CIG”)**

CIG specializes in the management of portfolios of leveraged loans (first and second lien senior secured loans), high-yield bonds, private credit instruments, and structured credit investments (e.g., rated and unrated debt or equity tranches of CLOs) in credit markets across a broad spectrum of products, including CLOs, separate accounts, registered investment companies and other commingled vehicles.

**Municipal Fixed Income Group (“MFIG”)**

The MFIG strategy places a primary focus on safety and capital preservation, while simultaneously generating tax-efficient income for their client portfolios. The team employs an active approach to take advantage of opportunities presented in the municipal bond market. The strategy was started over 30 years ago and is still run by the original founder. The strategy invests in investment-grade municipal bonds. The team conducts fundamental analysis to identify sectors of the market that appear undervalued and have potential to outperform. Portfolios are customized to suit each individual client’s investment parameters, risk tolerances, income needs, and tax specifications.

**Commodities**

Within its Enhanced Total Commodity Return Strategy, the Registrant’s Commodities portfolio management team follows an enhanced index investment approach employing the use of futures, swaps, or structured notes to gain the majority of the exposure to the commodities markets while primarily identifying inefficiencies (i) in the benchmark index construction process or (ii) between contracts of differing maturities of the same underlying commodity. The team believes that this approach offers an efficient way to gain indexed commodities exposure with a low tracking risk, therefore adding value compared to the benchmark. The platform, therefore, provides efficient commodities exposure through the creation and management of a commodity-linked derivatives portfolio tailored to the appropriate benchmark to meet specific needs. The Commodities team manages the underlying cash collateral in a conservative investment strategy designed to provide exposure to high quality, short duration fixed income instruments. The collateral portfolio generally contains U.S. Treasury or U.S. Agency debt with an overall portfolio duration of less than one year.

Within its ACCESS Total Commodity Return Strategy, the portfolio management team takes an active approach to commodity investing. This strategy is a multi-factor approach that uses research based on economic intuition and historical analysis combined with qualitative research into the commodity markets with the goal of actively outperforming the underlying index. The strategy

maintains the team's pure play approach to commodity investing and seeks to avoid any unintended risk through the addition of material duration, and credit risk into the portfolio. The collateral portfolio generally contains U.S. Treasury or U.S. Agency debt with an overall portfolio duration of less than one year.

The Risk Parity Total Commodity Return Strategy seeks to provide exposure to a risk-adjusted commodity strategy using commodity futures. Target exposures are determined by attempting to equalize risk contribution, first at the commodity level within a sector and then across sectors. Additionally, the strategy seeks to add value over the stated benchmark through management of the futures roll and term structure selection. The cash portfolio generally contains U.S. Treasury or U.S. Agency debt with an overall portfolio's duration of less than one year.

The Dynamic Alpha Commodity Strategy seeks a high level of capital appreciation by investing in the commodity markets using quantitative and fundamental analysis while maintaining relatively low volatility and low net commodity exposure. The strategy utilizes a variety of alpha themes focused on valuation and fundamentals of commodities and commodity contracts of different maturities, with a core focus on relative value. The collateral portfolio generally contains U.S. Treasury or U.S. Agency debt.

#### **Insurance Linked Strategies ("ILS") – Property and Casualty**

ILS seeks to earn attractive risk-adjusted returns through the direct or indirect acquisition of discontinued (*i.e.*, "run-off") property and casualty business from insurers, reinsurers and/or other entities (including, without limitation, self-insured organizations) at attractive pricing and the efficient management of the payment of future claims and the assets supporting such liabilities and make investments in other forms of insurance linked assets. ILS's focus generally excludes the market that represents catastrophe-related risk. The Registrant has engaged a non-affiliated sub-adviser to perform certain advisory services in connection with this strategy.

#### **Mexico**

The Registrant provides investment advisory services, as sub-advisor, to three publicly offered registered investment trusts under Mexican law that are focused on credit opportunities in the Mexican market (the "AM Mexico Funds"). The primary investment objective of the AM Mexico Funds is to invest in a portfolio of debt-type and real estate debt-type assets or financings granted to persons incorporated or domiciled in Mexico, or in respect of which the proceeds thereof are primarily used to finance activities in Mexico.

The AM Mexico Funds aim to construct and maintain a diversified portfolio with respect to the credit market and structural risks, which seeks to provide a balanced combination of income derived from interest payments, capital appraisal, capital participations, or in the improvement of the issuer.

#### **NEXT**

The Funds advised by the Registrant's NEXT investment team invest in growth equity opportunities in private companies in the financial services and technology sectors that are primarily located in the U.S. and Western Europe leveraging the sourcing channels and domain expertise of the broader CS organization.

**Employee Plans Team**

The Funds created by the Employee Plans Team are structured to invest in: (i) a mirror-image portfolio with another Fund and to dispose of investments made in “lock step” with such Fund; (ii) one or more particular classes or series of securities of a Portfolio Company, another Fund or an existing investment portfolio; or (iii) certain types of investment opportunities as described in the Fund’s offering memorandum with the actual investments identified by the Registrant and made during a designated commitment or similar period.

**Legacy Strategies**

The Registrant’s legacy team provides investment advisory services to various existing Funds that are structured as funds-of-funds or feeder funds, which pursue their investment objectives by investing in Participating Funds. These Funds are generally not available for new investment.



## ITEM 5: FEES AND COMPENSATION

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The Registrant offers advisory services to clients for a percentage of assets under management, a fixed fee or fees based on performance as described below and in Item 6. Fees will differ based upon a number of factors, including without limitation, overall fee arrangements, account complexity, overall relationship with UBS Group, account size, assets under management (including unfunded commitments) and the terms of the various Funds managed by the Registrant. The management or advisory fees charged by the Registrant are not inclusive of all the fees and expenses that a client may pay or that may be borne by a client, including such fees and expenses described elsewhere in this Item 5 under "*Other Fees*."

Generally, fees accrue monthly (pro-rated for partial months and quarters) and may be paid in advance or arrears. The fees are then generally charged or billed on a quarterly basis and may be payable in advance or in arrears of the services rendered, depending on contractual agreement. In the event of termination, fees are normally charged on a pro rata basis through the date of termination, and any excess fees paid in advance are refunded. Generally, contract terminations can occur at the option of either the Registrant or the client and are generally effective upon receipt of 30 or 60 days' written notice.

The Registrant may agree with clients to make time weighted adjustments to quarterly fee calculations for asset flows representing an agreed percentage of the total assets under management during a quarter. Fees are negotiable and can vary from the schedules below to reflect circumstances that apply to a specific client or account.

The Registrant may impose minimum fees or fee equivalents above or below those stated herein for client accounts depending on a number of factors, including the type of client, type of mandate, changing market conditions, and pre-existing relationships with the Registrant. Such minimum fees may be increased or decreased depending on the specific circumstances of an individual client.

Fees payable by U.S. and foreign registered investment companies and Funds advised by the Registrant, are described in greater detail in the products' respective offering documentation. Under certain circumstances and where permissible by regulations, the investment of an investor's assets in a Fund may result in multiple layers of fees paid to the Registrant and such Fund. Any such layered fees would be disclosed in the particular offering or account documents associated with the investment.

Fees for certain Funds will be waived, reduced or calculated differently with respect to certain investors, including the Registrant's employees or affiliates, at the discretion of the Registrant and as permitted by the Fund's offering documentation and organizational documents. Employees of the Registrant and its affiliates also are permitted to establish separate investment advisory accounts with the Registrant that may be subject to reduced management fees. The Registrant's employees may be permitted to invest in one or more Funds on a reduced or waived fee and/or expense basis. In addition, certain of the Registrant's employees have access to additional funding to facilitate investing in Funds. The Registrant believes that incentives that promote employee investments in Funds offered to clients reflects an alignment of interests as between the Registrant and its clients, but also acknowledges that such investment could create the potential for a conflict

of interest. The Registrant has policies and procedures in place to address employee investments in Funds.

**The Registrant's current basic annual fee schedule for the following separately managed accounts is as follows:**

**QIS:**

Generally, the Registrant will receive a management fee (generally 0.50% to 1.50% on an annualized basis depending on account size) calculated periodically (*e.g.*, daily, monthly or quarterly) and payable in arrears based on net asset value depending on the structure. Net asset values will not be reduced by any liability attributable to the payment of redemption proceeds as of the end of such period.

**CIG:**

Global Fixed Income

0.50% on first \$30 mil. of assets  
0.40% on next \$70 mil. of assets  
Negotiable on assets over \$100 mil.  
Minimum fee \$50,000

Leveraged Loans

0.75% on first \$100 mil. of assets  
0.65% on next \$100 mil. of assets  
0.50% on assets over \$200 mil.

U.S. High-Yield Fixed Income

0.50% on first \$50 mil. of assets  
0.45% on next \$50 mil. of assets  
0.40% on assets over \$100 mil.

CLO Strategy

1.00% on first \$50mil. of assets  
0.75% on next \$50 mil. of asset  
0.65% on assets over \$100 mil

Global High-Yield Fixed Income

0.50% on first \$50 mil. of assets  
0.45% on next \$50 mil. of assets  
0.40% on assets over \$100 mil.

**MFIG:**

Tax-Advantaged Fixed Income

0.35% on first \$25 mil. of assets  
0.30% on next \$25 mil. of assets  
0.25% on next \$50 mil. of assets  
0.20% on assets over \$100 mil.

Tax-Advantaged Cash Management

0.20% on all assets

For MFIG clients that participate in a wrap program, the fees are governed by the sub-advisory agreement between the sponsor and the Registrant. The investment management fee is billed by the wrap program sponsor, with a portion of such fee paid to the Registrant. The Registrant's fees for wrap program participants range from 0.17% to 0.18% of assets annually.

### **Commodities:**

#### **Enhanced Total Commodity Return**

0.50% on first \$50 mil. of assets

0.45% on next \$100 mil. of assets

0.40% on assets over \$150 mil.

Minimum fee \$250,000

#### **Risk Parity Strategy**

0.65% on first \$50 mil. of assets

0.60% on next \$100 mil. of assets

0.55% on assets over \$150 mil.

Minimum fee \$300,000

#### **ACCESS Total Commodity Return**

0.80% on first \$50 mil. of assets

0.75% on next \$100 mil. of assets

0.70% on assets over \$150 mil.

Minimum fee \$300,000

#### **Dynamic Alpha Commodity Strategy**

2% management fee / 20% performance fee

The fees paid by a client are negotiable and can vary from the schedule above due to particular circumstances of the client and, as a result, one client will pay a higher fee to the Registrant than a second client for which the Registrant is providing substantially similar services. The actual fee rate paid by each client will be set forth in the investment management agreement between the Registrant and the client. Fees paid by the client to the Registrant may be higher or lower than the cost of similar services offered through other financial firms.

### **ILS – Property and Casualty:**

The Registrant generally receives a management fee calculated in arrears, accrued monthly and payable on the first day of each calendar quarter in respect of the preceding three months (or portion thereof for subscriptions made other than as of the beginning of a calendar quarter). The non-affiliated sub-adviser is compensated out of the management fee received by the Registrant.

### **NEXT:**

The Registrant receives an annual management fee from the Funds advised by the NEXT team. The annual management fee is equal to a portion of the committed capital during the investment period. After the investment period, the annual management fee is charged on net invested capital. Management fees are collected quarterly in arrears.

### **Employee Plans Team:**

Generally, the Registrant does not receive any management fees from the Funds managed by the Employee Plans Team. With respect to certain Funds, however, the Registrant will receive an annual fee from those Funds generally up to 1.0% to 2.0% of the Fund's assets or capital commitments from terminated employees. In addition, with respect to certain Funds, the Registrant will receive an annual administration fee from those Funds generally equal to 0.30% of the Fund's assets or capital commitments or an amount required to reimburse the Registrant for administration and reporting costs. The fees accrue quarterly and are generally collected through

proceeds from the sale of assets held by the Fund and or dividend and interest income earned by the Fund.

### **Legacy Strategies:**

The Registrant charges a management fee based on invested capital which ranges from 0.39% to 1.50%.

### **Other Fees**

In certain instances, account expenses will be charged back to the client. Clients also will be responsible for expenses, including commissions and/or sales loads, management fees and distribution/servicing fees, to the extent a client's assets are invested in investment companies, including funds registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), or are otherwise exempt therefrom, which have their own fee and expense structures.

The Registrant will typically use one or more independent third-party custodians or prime brokers to provide custodial services in connection with the management of client assets, including for separate accounts or other clients accessing the Registrant's investment strategies through third-party platforms or consultants. The cost of these services is not included in the management fees described above. Clients are responsible for paying any such additional costs charged by the custodial services providers. The management fees charged by the Registrant also do not include the amount of any costs, expenses or commissions that a broker or dealer may charge in connection with transactions executed on behalf of client accounts. In addition, a custodian or registered broker may impose certain costs or charges associated with servicing client accounts, such as margin interest, costs relating to exchanging foreign currencies, odd lot differentials, regulatory fees, transfer taxes, exchange fees, wire transfer or postage fees, foreign clearing, settlement and custodial fees, and other fees or taxes required by law. For a discussion on brokerage and other transaction costs please see Item 12 below.

Accounts with special investment guidelines or other unique circumstances or requirements may be charged differently based on the services rendered. Some existing clients will pay different (higher or lower) fees that are not available to new or other clients. Assets or accounts of the Registrant's affiliates also may be charged fees and expenses that are different from, and in most cases, lower than those charged to unaffiliated client accounts or assets. Accounts of the Registrant's affiliates also may not be charged certain fees and expenses. Differences in fees and expenses can result in favoring some clients over others and will affect expectations as to future returns and risk.

The Registrant will pay a portion of the advisory fee to any of its affiliates or entities or persons not affiliated with the Registrant for certain clients referred to it by such entities or persons. Such fees are paid in accordance with applicable law. In addition, in connection with certain strategies, the Registrant or an affiliate will be entitled to receive fees from Portfolio Companies (e.g., acquisition and disposition fees, consulting or monitoring fees) or in connection with a transaction involving a Portfolio Company. A portion of such fees paid to the Registrant typically reduces the management fees otherwise payable by a client to the Registrant.

In addition, investors in Funds will bear certain direct and indirect expenses associated with their investment. Expenses that are typically borne by Funds (or their respective Portfolio Companies), and thus indirectly by investors in those Funds, will include, without limitation: (i) expenses for administrators, valuation experts, accountants and other service providers; (ii) costs incurred in printing and distributing reports to investors; (iii) expenses for consulting services including the review of marketing materials; (iv) all out-of-pocket expenses incurred in structuring, acquiring, holding and disposing of investments; (v) broken deal expenses; (vi) prime brokerage fees, bank service fees and other expenses incurred in connection with investments; (vii) fees and expenses related to borrowings; (viii) costs of litigation, D&O liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the Fund; (ix) all out-of-pocket fees and expenses incurred in connection with compliance with U.S. federal, state, local, non-U.S. or other law or regulation; (x) expenses for regulatory reporting; (xi) fees and expenses related to the organization, operation or maintenance of intermediate entities used to facilitate the Fund's investment activities; (xii) expenses of winding up or liquidating the Fund; (xiii) any taxes, fees or other governmental charges, and expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund; and (xiv) fees and expenses related to services rendered to a Fund by a non-affiliated sub-advisor or one of its affiliates.

The offering memorandum and/or constituent documentation (or investment management agreement in the case of a separately managed account) of a Fund sets forth the basis on which the Registrant's management fees may be reduced, and also provides a detailed description of the various expenses, in addition to management fees, that will be borne by Fund (or separately managed account). You should review those materials carefully before investing in any Fund.

## ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

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### **Performance-Based Fees**

The Registrant will charge certain clients a negotiated performance fee based on a share of capital gains or capital appreciation of the assets under management, excess distributions remaining after payment of required amounts or based on some other measure as agreed between the Registrant and its client. In some instances, the fee calculation will include a base or hurdle rate that must be exceeded before the fee is payable or, if losses have been incurred, a “high water mark” that must be achieved before the fee is payable or a claw back of fees previously paid. Any performance fees charged by the Registrant will comply with the requirements of Section 205 of the Investment Adviser Act of 1940 (the “Advisers Act”) and the applicable rules thereunder.

Potential conflicts of interest may arise with the allocation of limited investment opportunities to the extent that the Registrant has an incentive to allocate investments that are more likely to generate excess distributions but that are also more risky or are expected to increase in value to preferred accounts, including accounts with higher fee structures.

The compensation arrangements referred to in this section present a potential conflict when the Registrant’s interest is not aligned with the best interest of one or all of its clients. Improper activity could manifest in the form of inappropriate recommendations or investments to certain portfolios because the Registrant hopes the client will invest additional assets; allocation of opportunities to accounts that have been underperforming in an investment strategy; allocation of investment opportunities which favor performance fee based accounts over advisory fee only accounts; allocation of investment opportunities which favor accounts that employees are invested in; or a reluctance by the Registrant to mark down fair valued/illiquid securities to avoid (i) a decline in performance or (ii) increase in performance volatility in a Fund or other account. To avoid actual and potential conflicts of interest regarding fees received on a performance related element, the Registrant has policies and procedures in place to address and mitigate this conflict including the monitoring of performance disparity amongst accounts with similar strategies.

For private equity-focused Funds, the General Partner is typically entitled to a performance fee of up to 20% of the profits of each Limited Partner in the Fund. The performance fee is generally: (i) based on a waterfall calculation which takes into account net realized gains and losses and unrealized gains and losses on portfolio securities; (ii) as the relevant partnership agreement dictates on realized gains less the losses of the Limited Partner over the life of the relevant Fund or on a deal by deal basis; and (iii) may add back management fees and expenses previously paid by the Limited Partner. Accordingly, distributions to the General Partner in respect of its performance allocation will be made only to the extent that a Limited Partner’s realized income and gains exceed its realized losses and a preferred return ranging from typically 0% to 12%. In the event that the General Partner receives distributions in excess of its allocation of up to 20% of the net profits of a Limited Partner’s share of a Fund investment, the General Partner will repay such excess to the partnership for distribution to such Limited Partner upon termination of the Fund. Generally, employee plans assets invested through a Fund do not pay performance fees.

The Registrant also may charge a “fulcrum fee,” under which a base fee increases or decreases proportionately with the investment performance of assets under management over a specified period in relation to a designated index of securities prices or other measure of performance.

With respect to Funds, the General Partner (or the Registrant in its capacity as the Fund’s investment adviser), on behalf of a Fund, will enter into side letters or other similar agreements with one or more investors in the Fund that have the effect of establishing rights under, or altering or supplementing the terms of, the Fund’s governing documents in a manner more favorable to those investors than those applicable to other investors.

### **Side-by-Side Management**

The Registrant is required to place its clients’ interests first and seeks to allocate investment opportunities to its clients, and otherwise to treat all of its clients, in a manner that is fair and equitable over time. A more detailed discussion of the Registrant’s trade allocation policies and management of client portfolios that give rise to side-by-side management issues is provided in Items 10 and 12 herein.

In addition, certain personnel of the Registrant will manage, at the same time, one or more registered investment companies, separately managed accounts and Funds, including hedge fund vehicles (“Hedge Funds”) and private equity vehicles (“PE Funds”), which will raise potential conflicts of interest for the Registrant, including those associated with any differences in fee structure, as discussed above. Such side-by-side management can result in certain members devoting unequal time or attention to the management of one client’s assets over another client’s assets. For example, members of an investment team who manage a registered investment company also can manage one or more Hedge Funds or PE Funds, including those that may be funded with UBS Group proprietary money. There are several potential conflicts of interest issues that could arise as a result of the same individuals managing a registered investment company and other accounts, including a Fund (e.g., a Hedge Fund or PE Fund). In addition to having different fee structures, the registered investment company and the Fund can hold inconsistent positions due to differences in investment objectives and strategies. At times, members of an investment management team will make an investment decision for one client that differs from an investment decision for another client or, alternatively, different teams within the Registrant will make different investment decisions for their clients depending on the investment strategies they employ. For example, Funds that are permitted to engage in short sales as part of their investment strategy may seek to take positions in issuers that are contradictory to those of Funds who do not engage in similar strategies. The Registrant has adopted policies and procedures that are designed to minimize the effects of these potential conflicts.

## ITEM 7: TYPES OF CLIENTS

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The Registrant typically provides investment advice to:

- Charitable Organizations
- Governments and Governmental Agencies
- Supranational Organizations
- High Net Worth Individuals
- Public and Private Pension Plans
- Sovereign Wealth Funds
- Corporations
- U.S. and Foreign Registered Investment Companies
- Funds
- Insurance Companies

The Registrant provides advice as an adviser or sub-adviser, to registered and unregistered pooled investment vehicles, institutions or other investment advisers, some of which are affiliates. The Registrant also engages sub-advisers, which may be affiliates, to perform advisory services. Additionally, the Registrant engages, and will likely continue to engage, unaffiliated sub-advisers—which themselves may hire affiliates to perform certain due diligence and monitoring services. The Registrant or an affiliate may provide consulting or advisory services for a negotiated fee to entities with debt or equity, whose investments are held by accounts and vehicles managed by the Registrant. The Registrant or its affiliates, its employees and clients, may receive advisory and other fees such as break-up or loan origination fees from companies in which Funds or other clients may invest. Such fees may or may not be paid to, in whole or in part, such Funds or other clients.

### **Conditions for Managing Accounts - Account Size**

The Registrant will generally impose minimum account sizes (or fee equivalents) for starting new client accounts depending upon a number of factors including the type of client, type of mandate, and/or pre-existing relationship with the Registrant. Characteristics of certain asset classes also will require a minimum account size for separately managed accounts. Such minimum account sizes may be increased or decreased depending upon the specific circumstances of an individual client. If the value of an account is less than the required minimum as a result of a client's withdrawal of assets from the account, the Registrant may elect to terminate the relationship with a client. Exceptions are made at the discretion of the Registrant.

Although the Registrant may advise only a Fund, and place no limits on the size of that account, individual investors who want to participate in the Fund will generally be required to invest a minimum amount which varies depending on the Fund. These requirements are disclosed in each Fund's governing documentation. Exceptions are made at the discretion of the Registrant.



## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS**

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### **Methods of Analysis**

The Registrant derives the information used to make investment decisions on behalf of its clients from both internal and external resources. The Registrant periodically will seek the advice of economists and other investment professionals and consultants, internal and external, with respect to such matters as political conditions, proposed tax law changes, fiscal policy, general conditions of the economy, interest rates, actions of central banks and international affairs. The Registrant will also use proprietary modeling techniques and quantitative and qualitative analysis. In some instances, the Registrant will only rely on proprietary modeling techniques as the method of analysis.

For certain investment strategies, the Registrant utilizes methodologies to track and replicate the performance of various indices and can create and calculate a respective index. Some of the Registrant's investment teams employ a bottom-up approach towards portfolio construction that begins with an initial review of primary and secondary market opportunities. Credit analysts perform in-depth, bottom-up, fundamental research assigning proprietary credit ratings to each issue. Additionally, certain of the Registrant's investment teams employ proprietary analytics to attempt to exploit market inefficiencies and provide commodity index exposure.

Investment committees shall be convened as necessary for certain Funds in order to approve, reject, or approve with conditions any proposed investments or dispositions within each fund structure.

Additionally, for certain investment strategies, environmental, social and governance ("ESG") issues are considerations in the research process, which, alongside other qualitative considerations and financial metrics, provide a more complete view of the risk/return characteristics of potential investments. The Registrant may seek to integrate ESG analysis into the research process to further assess medium and longer term risks of an issuer, including but not limited to potential reputation risk characteristics of a transaction.

As the Registrant's portfolio management teams use a variety of methods to identify, analyze and assess potential and existing investment opportunities, you should review the more detailed descriptions of those methods that are included in the applicable offering documents and other constituent documentation for a particular investment.

### **Investment Strategies & Risk of Loss**

The Registrant, through its portfolio management teams, offers a wide variety of investment strategies, including investments in: (i) equities; (ii) property and casualty insurance linked strategies; (iii) commodity futures, swaps, structured notes and options; (iv) various derivative instruments for hedging purposes or to create exposure in lieu of holding actual securities or other instruments; (v) currencies, including through forward contracts; (vi) actively managed hedge funds-of-funds; (vii) preferred equity, leveraged loans, high-yield or municipal bonds, CLOs, mezzanine debt and asset-backed securities ("ABS"); and (viii) venture capital private equity, common equity and the origination of secured and unsecured loans to U.S. and Western European

non-investment grade middle market companies. The private equity-focused Funds managed by the Registrant generally invest in long-term private equity investments, primarily through investing in Portfolio Companies. The investment strategies used by the various investment committees for certain Funds to make investment decisions for one Fund will vary, sometimes significantly, from another investment strategy which has a different investment committee.

An investment in securities, including Portfolio Companies, or other financial instruments involves a significant degree of risk, including the potential loss of the entire investment. Before deciding to invest in a Fund or other product (i.e., separate accounts) offered by the Registrant, you should read the prospectus, offering memoranda and any other documents you receive and pay particular attention to the risk factors contained within those documents. You should have the financial ability and willingness to accept the risk characteristics of your particular investments. For instance, losses in a Fund will be borne solely by the Fund (and, as result, by its investors) and not by the Registrant (other than in its capacity as the General Partner). Therefore, you should only invest in a Fund if you can withstand a total loss of your investment. The following are some of the risks and considerations which should be made prior to making an investment in the Funds and other products (i.e., separate accounts) offered by the Registrant. The performance of portfolio investments of other accounts or Funds managed by the Registrant or its affiliates is not necessarily indicative of the results that will be achieved by a separately managed account or Fund in which you invest. Not all risks may be applicable to a particular investment or product.

#### Legal, Tax and Regulatory Risks

Legal, tax and regulatory developments may adversely affect an investment vehicle during the term of the investment. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements, other regulators and self-regulatory organizations and exchanges authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to change by government and judicial actions. The regulatory environment for private funds is evolving, and currently there are numerous legislative and regulatory proposals in the U.S., Europe and other countries that could affect an investment vehicle and its respective trading activities. Changes in the regulation of private funds and separate accounts and their trading activities may adversely affect the ability of an investment vehicle to pursue its investment strategy, its ability to obtain leverage and financing and the value of investments held by an investment vehicle. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. It is impossible to predict what, if any, changes in laws and regulations may occur, but any laws and regulations which restrict the ability of the Fund to trade in securities or the ability of an investment vehicle to employ, or brokers and other counterparties to extend, credit in its trading (as well as other regulatory changes that result) could have a material adverse impact on an investment vehicles portfolio. In addition, the SEC has proposed new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact Registrant and its affiliates, certain investment vehicles and/or their investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the investment vehicles.

The investment vehicles and the Registrant will also be subject to regulation in jurisdictions in which they engage business. You should understand that an investment vehicles business is dynamic and is expected to change over time. Therefore, an investment vehicle may be subject to new or additional regulatory constraints in the future. The offering materials and any other documents received in connection with an investment in an investment vehicle cannot address or anticipate every possible current or future regulation that may affect an investment vehicle, the Registrant or their respective businesses. Such regulations may have a significant impact on the operations of the investment vehicle, including, without limitation, restricting the types of investments the Fund may make, preventing the Fund from exercising its voting rights with regard to certain financial instruments and requiring the Fund to disclose the identity of their investors.

#### Market Conditions and Volatility

Market and economic conditions during the past several years have caused significant disruption in the markets. The prices of a client's investments, including, without limitation, common equity and related equity derivative instruments, high-yield securities, loans, convertible securities and derivatives, including futures and option prices, can be highly volatile. Price movements of forward, futures and other derivative contracts in which a client's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs, policies of governments and national and international political and economic events. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in government bonds, currencies, financial instruments, futures and options. Such intervention is often intended to directly influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. There continue to be signs of inflationary price movements. As such, fixed income securities and loan markets may experience heightened levels of interest rate volatility and liquidity risk. A client also is subject to the risk of the failure of any exchanges on which its positions trade or of their clearinghouses. These factors and general market conditions could have a material adverse impact on a client's portfolio.

#### Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues

Generally, outbreaks of disease, epidemics and public health issues in Asia, Europe, North America, the Middle East and/or globally, such as COVID-19 (and other novel coronaviruses), or other epidemics, pandemics, outbreaks of disease or public health issues are likely to affect the Registrant's financial performance and could affect the activities of an investment vehicle and its operations and client investments. In particular, COVID-19 has negatively affected (and may continue to negatively affect or materially impact) the global economy, global equity and fixed income markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). Developing and emerging market countries may be more impacted by the COVID-19 pandemic. The impact of the COVID-19 pandemic may last for an extended period of time. Although the long-term effects of COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus), cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease had material adverse effects on the economies, fixed income and equity markets and operations of those countries and jurisdictions in which they were most prevalent. The U.S. government and the Federal Reserve, as well as certain foreign governments and central banks, have taken extraordinary actions to support local and global economies and the

financial markets. Government actions to mitigate the economic impact of the COVID-19 pandemic have resulted in a large expansion of government deficits and debt, the long-term consequences of which are not known. A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which would be reasonably likely to adversely affect the business, financial condition and operations of the Registrant, the Funds and other client accounts. Should these or other major public health issues, including pandemics, arise or spread farther, the Registrant could be adversely affected by more stringent travel restrictions (such as mandatory quarantines), additional limitations on the Registrant's or a Fund's operations and business activities and governmental actions limiting the movement of people and goods between regions and other activities or operations.

#### Illiquidity Risk

An investment in certain Funds will require a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available to investors. In addition, the securities issued by Portfolio Companies typically cannot be sold by a client except pursuant to a registration statement filed under the U.S. Securities Act of 1933, as amended (the "Securities Act") or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. As such, certain investments will be highly illiquid, and there can be no assurance that a client will be able to realize or exit such investments in a timely manner which may impact the client's performance. Similarly, the interests in a Fund have not been registered under the Securities Act or any other applicable securities laws. There is no public market for such interests and none is expected to develop. In addition, investors in a Fund will generally be restricted from transferring their ownership interests in the Fund. Investors may be prohibited from withdrawing capital from certain Funds and, as such, will not be able to liquidate their investments prior to the end of the Fund's term.

#### Portfolio Valuation

Valuations of a client's portfolio, which may affect the amount of the management fee and/or performance fee, are expected to involve uncertainties and discretionary determinations. Third-party pricing information will not be generally available regarding a significant portion of investments in certain asset classes, and in some circumstances valuation models will be relied upon in order to value the assets in a client's portfolio and calculate the net asset value of a Fund. The Registrant is not required to, nor does it expect to receive, independent, third-party verification of these valuation models created by the Registrant. In addition, to the extent third-party pricing information is available, a disruption in the secondary market for an investment may limit the ability to obtain accurate market quotations for purposes of valuing investments in a client's portfolio and calculating the net asset value of a Fund. Further, because of the overall size and concentrations in particular markets and maturities of positions that may be held by a client from time to time, the liquidation values of the client's securities and other investments may differ significantly from the interim valuations of these investments derived from the valuation methods described herein.

#### Absence of Regulatory Oversight

Although certain Funds managed by the Registrant may be considered similar in some ways to an investment company, they are not required and do not intend to register as such under the

Investment Company Act and, accordingly, investors in those vehicles are not accorded the protections of the Investment Company Act.

#### *Dependence on Key Personnel*

The success of any Fund or other client account managed by the Registrant depends in substantial part on the skill and expertise of the personnel of the Registrant. There can be no assurance that such personnel will continue to be employed by the Registrant or associated with a Fund or other client account throughout the life of the Fund or other account. The loss of key personnel could have a material adverse effect on the Fund or other client account.

#### *Tax Treatment*

There may be changes in tax laws or interpretations of such tax laws adverse to a Fund (i.e., partnership) or its Limited Partners. There can be no assurance that the structure of a partnership or of any investment will be tax-efficient to any particular Limited Partner. Also, there can be no assurance that a partnership will have sufficient cash flow to permit it to make annual distributions in the amount necessary to permit Limited Partners to pay all tax liabilities resulting from their ownership of the partnership's interests. Prospective investors are urged to consult their tax own advisers with reference to their specific tax situations.

#### *Follow-On Investments*

A client may be called upon to provide follow-up funding for its Portfolio Companies or have the opportunity to increase its investment in such Portfolio Companies. There can be no assurance that the client will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by a client not to make follow-on investments or its inability to make them may have a substantial negative impact on a Portfolio Company in need of such an investment or may diminish the client's ability to influence the Portfolio Company's future development.

#### *Reliance on Management of Portfolio Companies*

While it is the intent of the Registrant to invest in Portfolio Companies with proven operating management in place, there can be no assurance that such management will continue to operate successfully. Although the Registrant will monitor the performance of each investment, a client will rely upon management to operate the Portfolio Companies on a day-to-day basis.

#### *Concentration Risk*

The strategy of investing in multiple investments is designed in an attempt to achieve diversification and thus seeks to limit exposure to any single investment loss. Nevertheless, multiple investments may result in losses which may be substantial. For any given period of time, the investments of certain Funds or other client accounts managed by the Registrant will be concentrated in a relatively small number of portfolio holdings. This is especially true for private equity-focused Funds, which typically only make a limited number of investments, and because those investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to clients and, indirectly, investors in those Funds.

To the extent a Fund or other client concentrates its investments in a small number or single portfolio holding, industry, sector and/or geographic region, the Fund or other client will be susceptible to a greater degree of risk affecting investments in that issuer, industry, sector and/or

region than would otherwise be the case. In addition, fluctuations in the value of a small number of portfolio holdings will significantly affect the value of the Fund's or client's portfolio. As a result, those investments may be subject to greater volatility which could generate substantial losses than another Fund or account that is more diversified and may be affected by the factors affecting the relevant industry or group of industries.

#### Controlling Interest Liability

A client may have controlling interests in some of its Portfolio Companies. The exercise of control over a Portfolio Company will impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws) or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, the client might suffer a significant loss.

#### Minority Interests in Portfolio Companies

A client may be a minority investor without the ability to influence or control its investments.

#### Risks Upon Disposition of Investments

In connection with the disposition of an investment in a Portfolio Company, a client may be required to make representations about the business and financial affairs of the Portfolio Company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. A client may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which, for Funds, might ultimately have to be funded by the Limited Partners. Each Fund's partnership agreement or similar operating agreement contains provisions to the effect that if there is any such claim in respect of a portfolio company, it will be funded by the Limited Partners to the extent that they have received distributions from the partnership, subject to certain limitations.

#### Foreign Investment and Emerging Markets Risk

Clients, including most non-private equity-focused Funds managed by the Registrant, may invest in a variety of non-U.S. instruments, including securities and other instruments of certain non-U.S. corporations and countries. In addition, certain Portfolio Companies in which clients, including the private equity-focused Funds, may invest are organized and operated outside of the United States. Such investments involve risks not typically associated with investments in the securities of U.S. companies. Investing in the securities of companies (and, from time to time, governments) in certain countries (such as emerging nations or countries) involves certain considerations not usually associated with investing in securities of United States companies or the United States Government, including, among other things, political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; certain government policies that may restrict investment opportunities; and, in some cases, less effective government regulation than is the case with securities markets in the United States.

To the extent a client invests in companies operating in emerging market countries, those investments involve certain risks not typically associated with investments in the securities of companies in more developed markets, including the direct and indirect consequences of potential political, economic, social and diplomatic changes in those countries. The governments in those countries typically participate to a significant degree, through ownership interests or regulation, in local business, often exercising a controlling influence in certain key sectors of the economy.

As a separate matter, investments in non-U.S. companies (i) may require significant government approvals under corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations; (ii) may require financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the U.S.; and (iii) will expose a client to potential losses arising from changes in foreign currency exchange rates. All of the foregoing factors, and others, may increase transaction costs and adversely impact the value of a client's investments in such companies.

#### Events in Europe and Russia

Russia's military invasion of Ukraine in February 2022, the resulting responses by the United States and other countries, and the potential for wider conflict could increase volatility and uncertainty in the financial markets and adversely affect regional and global economies. The United States and other countries have imposed broad-ranging economic sanctions on Russia, certain Russian individuals, banking entities and corporations, and Belarus as a response to Russia's invasion of Ukraine, and may impose sanctions on other countries that provide military or economic support to Russia. The extent and duration of Russia's military actions and the repercussions of such actions (including any retaliatory actions or countermeasures that may be taken by those subject to sanctions, including cyberattacks) are impossible to predict, but could result in significant market disruptions, including in certain industries or sectors, such as the oil and natural gas markets, and may negatively affect global supply chains, inflation and global growth. These and any related events could significantly impact a Fund's performance, including the value of a Fund's investments, even if the Fund does not have direct exposure to Russian issuers or issuers in other countries affected by the invasion.

#### Tracking Error

For the Funds that seek to track an index or benchmark, those investments are subject to tracking error. While the Registrant will attempt to reduce any variation between a Fund's performance and the performance of the relevant index or benchmark (any such variation, a "Tracking Error"), there can be no assurance that it will be successful in this regard and, accordingly, the success of an investment vehicles investment objective and each investor's investment remain subject to the risk of any such Tracking Error. Tracking Error may result from, among other things, the time interval between an investment vehicles need to invest in, or redeem an interest from, a portfolio investment (as dictated by movements in the relevant index) and the investment vehicles practical ability to make such an investment in, or redemption from, the portfolio investment on a timely basis. Likewise, portfolio investments may be closed to new investment, either indefinitely or by virtue of a policy permitting for periodic subscriptions on an infrequent basis, in which event a suitable substitute (as a proxy) will need to be sought. The process of locating such a proxy may require significant time (resulting in Tracking Error), and, once located, the proxy's performance may deviate significantly from the performance of the investment that the Registrant originally sought to replicate, thereby resulting in a further Tracking Error. Moreover, it may be difficult or

impossible for the Registrant to: (i) identify certain factors that might impact the performance of the Fund in ways that would cause the investment vehicles performance to deviate from the performance of the relevant index; or (ii) take any action to mitigate the impact of such factors on the investment vehicles performance upon discovering the existence of such factors. Lastly, in order for the investment vehicle to meet its objectives, its cash from subscriptions must be invested promptly. There is a risk that the pace at which subscriptions are made to the investment vehicle will outpace the ability of the Registrant to invest such amounts in the portfolio investments, thus contributing to Tracking Error.

#### Use of Derivatives

Certain clients are permitted to invest in a variety of derivative instruments. The risks posed by derivatives include (i) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (ii) market risks (adverse movements in the price of a financial asset or commodity); (iii) legal risks (an action by a court or by a regulatory or legislative body that could invalidate a financial contract); (iv) operational risks (inadequate controls, deficient procedures, human error, system failure or fraud); (v) documentation risks (exposure to losses resulting from inadequate documentation); (vi) liquidity risks (exposure to losses created by the inability to prematurely terminate a derivative); (vii) system risks (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (viii) concentration risks (exposure to losses from concentration of closely-related risks such as exposure to a particular industry or exposure linked to a particular entity); and (ix) settlement risks (the risk that a party to a contract faces when it has performed its obligations under a contract but has not yet received value from its counterparty).

#### Total Return Swaps

Certain clients of the Registrant will obtain synthetic exposure to investment strategies through the use of one or more total return swaps. Total return swaps are contracts in which one party (*i.e.*, the client) agrees to make periodic payments to another party (*i.e.*, the counterparty, which may be an affiliate of the Registrant) based on the change in market value of the assets underlying the contract, which may include a specified security, basket of securities or securities indices during the specified period, in return for periodic payments based on a fixed or variable interest rate or the total return from other underlying assets. The total rate of return of the assets underlying the contract on which the swap is based may exhibit substantial volatility and in any given period may be positive or negative. The client's investment in a total return swap is subject to leverage risk because, in addition to its total net assets, the client would be subject to investment exposure on the notional amount of the swap. In addition, there is the risk that the total return swap may be terminated by the client or the counterparty in accordance with its terms or as a result of regulatory changes.

#### Structured Securities

The Registrant may invest in strategies that consist of structured instruments, such as structured notes and warrants, and are offered and sold pursuant to a registration statement filed with the SEC or in a transaction exempt from registration under the Securities Act. The primary objective of these strategies is to build a portfolio of structured investments with varying terms and diversified credit exposures. The portfolio management team invests in structured investments issued by third-party issuers and may also invest directly in the referenced asset(s) or underlying exposure (*i.e.*, the index) for a period of time in an effort to maintain the exposure intended by the strategies. The



terms and risks of each structured investment vary materially depending on the creditworthiness of the issuer, the nature of the referenced asset and the maturity of the instrument, among other factors.

#### Referrals from Affiliates

Employees of the Registrant's affiliates may receive payments from the Registrant or a client in the event the employee refers an opportunity that results in an investment by the Registrant on behalf of that client in a portfolio company or financial instrument. Any incentive payments are made consistent with client guidelines and the Registrant's policies and procedures, which address related conflicts of interest. Identifying attractive investment opportunities at favorable prices is difficult and involves a high degree of uncertainty. There can be no assurance as to the number of investment opportunities that will be made available to clients of the Registrant as a result of referrals.

#### Run-Off Property and Casualty Business

Run-off business differs from traditional insurance and reinsurance underwriting in that an entity or line of business in run-off does not involve the underwriting of new policies (provided that Portfolio Companies may in some cases have a small amount of active on-going business, which active business may arise from requirements such as mandatory renewals at the election of the relevant insured). Rather, the relevant entity or line of business in run-off is, among other risks, subject to the risk that the funds available to satisfy estimates of claims-related liabilities will not be sufficient to cover actual future losses and the cost of the run-off.

#### Use of Leverage

For certain clients the Registrant, or the investment managers of other Funds in which the Registrant's clients invest, will employ leverage in a number of ways including purchasing instruments with the use of borrowed funds, selling securities short, trading options or futures contracts, using total return swaps, structured notes and repurchase agreements. The more leverage employed, the more likely it is that a substantial change will occur, either up or down, in the value of the instrument.

#### Government Securities Risk

Yields available from U.S. Government and agency securities are generally lower than yields from many other fixed income securities. Further, there is a risk that the U.S. Government will not provide financial support to U.S. government agencies, instrumentalities or sponsored enterprises if it is not obligated to do so by law. Although many types of Government Securities, such as those issued by the Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac") and Federal Home Loan Banks may be chartered or sponsored by Acts of Congress, their securities are neither issued nor guaranteed by the U.S. Department of the Treasury and, therefore, are not backed by the full faith and credit of the United States.

#### Borrower Fraud

Investing in loans or other debt instruments involves the possibility of material misrepresentation or omission on the part of the relevant borrower. The Registrant will generally rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable when it makes investment recommendations, but cannot guarantee such accuracy or completeness.

### Asset Backed Security (ABS) Complexity Risk

ABS are highly complex investments. Their complexity gives rise to the risk that parties involved in their creation and issuance, and other parties with an interest in them, such as their investors, may not have the same understanding of how these investments behave, or the rights that the various interested parties have with respect to them. Furthermore, the documents governing these investments may contain some ambiguities that are subject to differing interpretations. Even in the absence of such ambiguities, if a dispute were to arise concerning these instruments, there is a risk that a court or other tribunal might not fully understand all aspects of these investments and might rule in a manner contrary to both the terms and the intent of the documents. Therefore, an investor cannot be fully assured that it will be able to enjoy all of the rights that it expects to have when it invests in ABS. In addition, due to their complex structure, ABS may be difficult to value and may have reduced liquidity.

### Structural Risks of Subordinated ABS

Certain clients are permitted to invest in ABS that are subordinate in right of payment and rank junior to other securities that are secured by or represent an ownership interest in the same pool of assets. Investments in subordinated ABS involve greater credit risk of default than the senior classes of the issue or series. Default risks will likely be further pronounced in the case of ABS secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying loans. Certain subordinated securities (“first loss securities”) absorb all losses from default before any other class of securities is at risk, particularly if such securities have been issued with little or no credit enhancement or equity. Such securities therefore possess some of the attributes typically associated with equity investments.

### Investments in Collateralized Debt Obligations (“CDOs”) or CLOs

Certain clients invest in CDOs or CLOs. These obligations present risks similar to those of the other types of fixed-income obligations in which the Funds may invest. Multiple tranches of securities are issued by the CDO or CLO, which offer various maturity, yield and credit risk characteristics. Tranches are categorized as senior, mezzanine and subordinated/equity, according to their degree of credit risk. If there are defaults or the CDO’s or CLO’s collateral otherwise underperforms, scheduled payments to senior tranches take precedence over those of mezzanine tranches, and scheduled payments to mezzanine tranches take precedence over those of subordinated/equity tranches. In addition, the subordinated notes of a CDO or CLO generally do not benefit from any creditors’ rights or ability to exercise remedies under the indenture. The subordinated notes are not guaranteed by another party. Subordinated notes are subject to greater risk than the more senior, secured notes issued by the CDO or CLO.

Investing in CDOs or CLOs entail a variety of unique risks, such as prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk. In addition, the performance will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer or manager of the securitized assets. CDOs and CLOs often represent a leveraged investment and may have significant volatility

in value. The possibility of increased volatility and default rates in the structured finance sector may also adversely affect the price and liquidity of a CLO.

Issuers of CDO or CLO securities may acquire interests in loans and other debt obligations by way of sale, assignment or participation. The purchaser of an assignment typically becomes a lender under the credit agreement with respect to the loan or debt obligation; however, its rights can be more restricted than those of the assigning institution. In purchasing participations, an issuer of these securities will usually have a contractual relationship only with the selling institution and not the borrower. The CDO/CLO generally will have neither the right to directly enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor any rights to object to certain changes to the loan agreement agreed to by the selling institution. The CDO/CLO may not directly benefit from the collateral supporting the related loan and may be subject to any rights of set-off the borrower has against the selling institution. In addition, in the event of insolvency of the selling institution, under the laws of the states and the United States of America, the CDO or CLO may be subject to the credit risk of the selling institution as well as of the borrower.

With respect to client accounts that invest in CLOs, the underlying collateral of any CLO might not be diverse. For instance, the concentration of an underlying loan collateral portfolio in any one obligor would subject an investor in the CLO (especially if the client or Fund held the equity tranche of the CLO) to a greater degree of risk with respect to defaults by such obligor. Similarly, the concentration of a portfolio in any one industry would subject an investor in the CLO (especially if the client or Fund held the equity tranche of the CLO) to a greater degree of risk with respect to economic downturns relating to such industry.

#### United Kingdom (“UK”) Exit from the European Union (the “EU”)

The UK formally left the EU on January 31, 2020 (“Brexit”), and entered a transition period that ended on December 31, 2020. On December 30, 2020, the UK government and the EU Commission signed a trade and cooperation agreement governing their future relationship, which, following a ratification process, is expected to apply on a provisional basis through an additional transition period. However, this agreement does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to many of the same rules and regulations as prior to Brexit. However, the UK government has stated its intention to recast on-shored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third-country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on any Fund and its investments, including the ability of an investment vehicle to achieve its investment

objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions). There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on an investment vehicle and its investments, including the ability of an investment vehicle to achieve its investment objectives.

Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

#### *LIBOR and Other Benchmark Rates*

To the extent that an investment vehicles investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on the London Interbank Offered Rate (“LIBOR”) or other benchmark or reference rates (each, a “Benchmark Rate”), an investment vehicle may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants are working to facilitate the transition of existing instruments and contracts away from LIBOR to new Benchmark Rates, and any such transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for investment vehicles and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

#### *Non-Public Information*

From time to time, the Registrant or its affiliates will come into possession of material non-public information with respect to an issuer of securities or other instruments (e.g., bank debt or investments involving a restructuring) in which a client has invested, or in which the Registrant intends to or is researching as a potential investment for its clients. Possessing such information may limit the ability of the Registrant to buy or sell such securities or other instruments on behalf of its clients. Accordingly, the Registrant may be prohibited from buying or selling such securities or other instruments on behalf of its clients at times when the Registrant might otherwise wish to buy or sell such investments.

#### *Various Industry Related and Other Developments May Adversely Affect Insurance Investments*

The insurance and reinsurance business has historically been a cyclical industry, with significant fluctuations and uncertainties in operating results due to various factors. Matters including the availability and price of insurance and reinsurance coverage, the profitability of insurance and reinsurance entities and the number and nature of insurance and reinsurance companies entering run-off at any given time has been affected in the past by factors such as changes in reserves resulting from different types of claims that may arise and the development of judicial interpretations relating to the scope of insurers’ liability, including with respect to asbestos and environmental liability claims, other liability claims such as directors’ and officers’ liability and medical malpractice, the overall level of economic activity and the competitive environment in the

insurance industry, catastrophic events (including terrorism and natural catastrophes), general economic and social conditions, stock market performance, fluctuations in interest rates, inflationary pressures and other factors, all of which are beyond the control of the client, the Registrant, and any other investment adviser (including a sub-investment adviser), but could affect the ultimate payout of loss amounts, the costs of administering portfolios of business and returns on invested capital. Similar or new factors in the future may result in changes in market conditions or governmental intervention in the insurance markets, any or all of which may affect a Fund's business, financial condition and/or results of operations.

#### Quantitative Model Risks

Many of the investment strategies that the Registrant deploys on behalf of clients are highly complex. Certain of the Registrant's strategies employ quantitatively based financial analytical models to aid in the selection of investments, to allocate investments across various strategies and subsectors and to determine the risk profile of a client. In many cases, the successful deployment of a particular investment strategy require or involve sophisticated mathematical calculations and complex computer programs. Although the Registrant intends to use good faith efforts to carry out such calculations and programs correctly and to use them effectively, there can be no assurance that it will successfully do so. Errors may occur in designing, writing, testing, monitoring, and/or implementing such calculations and programs, including errors in the manner in which such calculations and programs function together. Whether or not such calculations or programs relate to a substantial portion of the client's investments, any errors in this regard may be difficult to detect, may not be detected for a significant period of time, and could have a material adverse effect on the client. In addition, while the Registrant may seek to apply existing calculations and programs to different components of the investment strategies deployed on behalf of the client (including markets, strategies, or investments), such application may prove ineffective in such different contexts. For example, it may be difficult or impossible to distinguish unexpected trading outcomes resulting from market activity from unexpected trading outcomes resulting from an error in the applicable calculation or programs. The mathematical calculations and computer programs utilized by the Registrant are subject to inherent limitations and, like all approaches to investing, are almost always susceptible to being improved upon as experience is gained, strategies are refined, and markets change. Also, there can be no assurance that the investment professionals utilizing the models will be able to (i) determine that any model is or will become not viable or not completely viable or (ii) notice, predict or adequately react to any change in the viability of a model. The use of a model that is not viable or not completely viable could, at any time, have a material adverse effect on the performance of a client's account. Accordingly, the Registrant does not expect to disclose discovered software errors to clients. The Registrant seeks, on an ongoing basis, to create adequate backups of software and hardware where possible but there is no guarantee that such efforts will be successful. Further, to the extent that an unforeseeable software or hardware malfunction or problem is caused by a defect, virus or other outside force, clients may be materially adversely affected. For the sake of clarity and without limitation, though losses arising from programming implementation errors or logical errors could adversely affect the performance of a Fund or other account, such losses would likely not constitute reimbursable trade errors under the Registrant's policies.

#### Systems and Operational Risks Generally

Clients depend on the Registrant to develop and implement appropriate systems for their activities. In particular, Funds rely heavily and on a daily basis on financial, accounting and other data processing systems. In addition, Funds relies on information systems to store sensitive information about the Fund and its investors, as well as the Registrant and its affiliates. Certain of the Registrant's activities with respect to its clients will be dependent upon systems operated by third parties, including brokers, prime brokers, administrators, market counterparties and other service providers, and the Registrant may not be in a position to verify the risks or reliability of such third-party systems. Failure in such systems and similar clearance and settlement facilities or with other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in the Registrant's operations may cause a client to suffer, among other things, financial loss, the disruption of trading or investment operations, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on a client.

#### System Failure

As the Registrant makes extensive use of computer hardware, systems and software, clients may be exposed to risks caused by failures of IT infrastructure and data. In addition, outright failure or a partial impairment (whether due to external situations or internal file corruption) of the underlying hardware, operating system, software or network may leave the Registrant unable to trade either generally or in certain of a client's strategies, and this may expose the client to risk should the outage coincide with turbulent market conditions. To ameliorate this risk, backup and failover plans have been put in place by the Registrant. Nevertheless, in the worst case, the Registrant may have to liquidate a client's entire portfolio as the only safe way to proceed should a crippling system outage occur.

#### Data Feed Failure

The Registrant's models utilize data feeds from a number of sources. If these data feeds were to be corrupted, compromised, or discontinued in any manner, or not delivered or accessible in a timely manner, the models may not be properly formulated. This failure to receive the data feeds or receive the data feeds in a timely manner may leave the Registrant unable to trade on behalf of a client or may result in trades that are not aligned with an algorithm's goal, and this may expose the client to risk of loss or loss of opportunities, in particular if the loss of the data feed coincides with turbulent market conditions. If the data feeds are compromised or discontinued in any material manner or if the data feeds are not delivered or accessible in a timely manner, it may result in a loss to the client, which could be material.

#### Risks Inherent in Computer-Driven and Intellectual Property Based Systems

The Registrant relies to a material extent on a wide range of intellectual property systems, including computer hardware and software systems and telecommunications systems, in substantially all phases of its operations, including research, valuation, trade identification and construction, trade execution, clearing, risk management, back office functions and reporting.

As described above, intellectual property systems are subject to a number of inherent and unpredictable risks. For example, there may be material undiscovered errors in software programs; software and/or hardware may malfunction and/or degrade; electronic and telecommunications delivery may fail; security breaches may lead to unauthorized trades or stolen intellectual property; services provided by third-party vendors to support the intellectual property systems may be

interrupted; and computer-driven trading errors may occur. For the sake of clarity and without limitation, though losses arising from computer-driven and intellectual property-based systems could adversely affect a client account's performance, such losses would likely not constitute reimbursable trade errors under the Registrant's policies.

#### Volcker Rule

UBS Group AG and its subsidiaries and affiliates, including the Registrant (collectively, "UBS Group") are subject to the prohibitions and restrictions of Section 13 of the Bank Holding Company Act, commonly known as the "Volcker Rule," and the implementing regulations thereunder (the "Implementing Regulations"). The Volcker Rule generally prohibits "banking entities" from sponsoring and investing in "covered funds," except as permitted pursuant to certain available exemptions. The term "covered fund" includes privately offered funds that rely on Sections 3(c)(1) or 3(c)(7) of the 1940 Act to avoid being treated as "investment companies" under that Act. For non-U.S. banking entities like UBS Group, a non-U.S. organized fund that is offered and sold solely outside the United States may fall outside the definition of "covered fund." This category of funds oftentimes is referred to as "foreign excluded funds."

In June 2020, U.S. federal financial regulators adopted revisions to certain covered fund provisions of the Implementing Regulations, which revisions become effective on October 1, 2020 ("Covered Fund Revisions"). The Covered Fund Revisions permit UBS Group to enter into certain previously prohibited covered transactions with a Fund or any covered fund it controls, including certain transactions that are certain riskless principal transactions, and certain short-term extensions of credit, or asset purchases in exempt from the quantitative limits, collateral requirements, and low-quality asset prohibition under Section 23A of the U.S. Federal Reserve Act, the ordinary course of business in connection with payment, clearing and settlement activities. Further a Fund will be subject to the "market terms" requirements of Section 23B of the U.S. Federal Reserve Act.

UBS Group and the Registrant will endeavor to minimize the impact of the Volcker Rule and the Implementing Regulations, but Credit Suisse's interests in determining what actions to take in complying with the Volcker Rule may conflict with the interests of a particular Fund, UBS Group, the Registrant and its clients, customers or counterparties all of which may be adversely affected by such actions.

In addition, further restrictions and limitations on UBS Group, the Registrant and a Fund may emerge as additional regulatory guidance and interpretations are provided by the relevant regulatory agencies on the Volcker Rule and the Implementing Regulations and as the Implementing Regulations may be revised from time to time. To this end, and despite the issuance of the Implementing Regulations, certain aspects of the Volcker Rule remain unclear and susceptible to alternative interpretations.

#### Cybersecurity Breaches, Identity Theft and Other Threats to Technology Systems

UBS Group's, the Registrant's and the Funds' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in UBS Group's, the

Registrant's and the Funds' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors. Such a failure could harm UBS Group's, the Registrant's and the Funds' reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to the Registrant or its clients, interfere with the Registrant's ability to value portfolio investments, impair the Registrant's trading ability and otherwise to transact business, and result in violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs or additional compliance costs.

Similar adverse consequences could result from cybersecurity breaches affecting Portfolio Companies and other issuers of securities in which a client invests; counterparties with which a Fund engages in transactions; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Because technology is frequently changing, new ways to carry out cyberattacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the Registrant's (as well as the Portfolio Companies in which the Funds and Registrant's other clients invest) ability to plan for or respond to a cyberattack. Like other financial service firms and other business enterprises, UBS Group's and the Registrant (as well as the Portfolio Companies in which the Funds and Registrant's other clients invest) are subject to the risk of cyber incidents occurring from time to time. In addition, substantial costs may be incurred by these entities to prevent any cybersecurity breaches in the future. In February and March 2022, the SEC proposed significant rule amendments intended to enhance and standardize disclosures regarding cybersecurity risk management, strategy, governance and incident reporting by certain companies, including registered investment advisers, such as the Registrant. The timing and scope of final rules, if any, are unknown at the time, but the costs to the Registrant may be material.

#### FATCA

The Foreign Account Tax Compliance Act ("FATCA") requires all entities in a broadly defined class of foreign financial institutions ("FFIs") to comply with a complicated and expansive reporting regime or be subject to a 30% U.S. withholding tax on (i) certain U.S. payments and (ii) gross proceeds from the sale of certain U.S. stocks and securities. Non-U.S. entities which are not FFIs also must either certify they have no substantial U.S. beneficial ownership or report certain information with respect to their substantial U.S. beneficial ownership or be subject to a 30% U.S. withholding tax on (i) certain U.S. payments and (ii) gross proceeds from the sale of certain U.S. stocks and securities). FATCA also contains complex provisions requiring participating FFIs to withhold on certain "foreign pass thru payments" made to non-participating FFIs and to holders



that fail to provide the required information. The definition of a “foreign pass thru payment” is still reserved under current regulations. However, the term generally refers to payments that are from non-U.S. sources but that are “attributable to” certain U.S. payments and gross proceeds described above. In general, these requirements apply to non-U.S. Funds, such as any non-U.S. CS-sponsored Fund advised by the Registrant. Among other things, FATCA compliance requires FFIs to obtain and review appropriate due diligence information with respect to certain existing and prospective investors. In addition, the reporting obligations imposed under FATCA require FFIs to enter into agreements with the IRS to obtain and disclose information about certain investors to the IRS or, if subject to an Intergovernmental Agreement (“IGA”), register with the IRS. IGAs are generally intended to result in the automatic exchange of tax information through reporting by an FFI to the government or tax authorities of the country in which such FFI is domiciled, followed by the automatic exchange of the reported information with the IRS. In the event FFIs are unable to comply with the preceding requirements, certain payments made to the FFIs may be subject to a 30% U.S. withholding tax, which would reduce the cash available to investors. These U.S. and foreign reporting requirements may apply to underlying entities and investors who are FFIs and the general partner (or similar managing fiduciary) has no control over whether such entities or investors comply with the reporting regime. Prospective investors in any Fund should consult their own tax advisors regarding all aspects of FATCA as it affects their particular circumstances.

#### Environmental, Social and Governance (“ESG”) Matters

Registrant seeks to integrate certain ESG factors into its investment process in certain investment strategies in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. There is no guarantee that Registrant will be able successfully to implement its ESG policy while achieving its investment strategy. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Registrant, or any judgment exercised by Registrant, will reflect the beliefs or values of any particular investor. There are also significant differences in interpretations of what ESG characteristics mean by region, industry and topic, as well as the interpretations of their scope and materiality. The Registrant’s interpretations and decisions are expected to differ from others’ views and could also evolve over time. In addition, in evaluating an investment, Registrant expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause Registrant to incorrectly assess a company’s ESG practices and/or related risks and opportunities. Registrant does not intend independently to verify all ESG information reported by investments or third parties. Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on Registrant’s view of certain ESG-related and other factors and could cause the relevant Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of the ESG Policies. For avoidance of doubt, however, Registrant does not expect to subordinate a Fund’s investment returns or increase a Fund’s investment risks as a result of (or in connection with) the consideration of any ESG factors.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Registrant’s adoption and adherence to various such principles, frameworks, methodologies and tools is

expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. Registrant's ESG policies could become subject to additional regulation in the future, and Registrant cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs.

*Financial Institution Risk; Distress Events.*

An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Registrant, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (FDIC), in the case of banks, or the Securities Investor Protection Corporation (SIPC), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the Registrant to manage the Funds and their investments, and on the ability of the Registrant, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although the Registrant expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that the Registrant and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with the Custodian, which heightens the risks associated with a Distress Event with respect to such Custodians. Although the Registrant seeks to do business with Custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the

Funds, the Registrant is under no obligation to use a minimum number of Custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

### Other Risks

In addition to the risks discussed above, an investment by a client may be subject to the following additional risks: (i) counterparty risk; (ii) volatility in the market and general economic conditions; (iii) foreign currency risks; (iv) commodities risk; (v) increased government regulation; or (vi) “layering” of expenses. Potential conflicts of interest also may arise from the relationship between the Registrant and any of its affiliates. Those conflicts are discussed in greater detail in Item 10 of this brochure. For a complete discussion of a particular investment strategy and the principal investments risks of that strategy, please read carefully the offering materials and any other documents received in connection with your investment.

In addition, the Registrant’s investment advisory activities on behalf of clients, investments in Funds or investments in Portfolio Companies and their operations are all subject to risks and material adverse effects from events beyond the control of the Registrant, including terrorist attacks, cyber-attacks, military conflicts, economic or political sanctions, disease pandemics, political unrest or natural disasters. To ameliorate these risks, business continuity plans have been put in place by the Registrant and its affiliates. Nevertheless, despite these efforts and plans, there can be no guarantee these events will not adversely affect the Registrant’s advisory activities.

## ITEM 9: DISCIPLINARY INFORMATION

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The Registrant is committed to observing the highest standards of integrity and regulatory compliance in all aspects of its work. The following disclosure of certain disciplinary events involving certain affiliates of the Registrant is required by the SEC.

Prior to and through in or about 2009, Registrant's former parent company, Credit Suisse AG ("CSAG"), including through its subsidiary Clariden Leu, operated a cross-border banking business that aided U.S. clients in opening and maintaining undeclared accounts and concealing foreign assets and income from the U.S. Internal Revenue Service. On May 19, 2014, the U.S. Department of Justice (the "Department of Justice") filed a one-count criminal information (the "Information") in the District Court for the Eastern District of Virginia charging CSAG, the former parent company of the Registrant, with conspiracy to commit tax fraud related to accounts CSAG established for cross-border clients from 2002 to 2008. The Department of Justice and CSAG entered into a plea agreement (the "Plea Agreement") settling the action pursuant to which CSAG pleaded guilty to the charge set out in the Information. The Plea Agreement required CSAG to pay over \$1.8 billion to the U.S. government, including the U.S. Internal Revenue Service. The Plea Agreement also required CSAG to lawfully undertake certain remedial actions to address the conduct described in the Plea Agreement and attachments to the Plea Agreement (the "Conduct"). CSAG entered into other settlements relating to the Conduct. CSAG and the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") agreed to the issuance of a consent Cease and Desist Order and Civil Money Penalty Assessment against CSAG to resolve certain findings by the Federal Reserve Board relating to the Conduct. In addition, CSAG and the New York State Department of Financial Services (the "DFS") entered into a Consent Order to resolve certain findings by the DFS relating to the Conduct. The settlement with the Federal Reserve Board required CSAG to pay \$100 million to the Federal Reserve, and the settlement with the DFS required CSAG to pay \$715 million to the DFS. These settlements followed a settlement by Credit Suisse Group AG ("CS Group"), the former parent company of CSAG, with the SEC on February 21, 2014 to resolve an investigation by the SEC into solicitation and provision of broker-dealer and investment advisory services to certain U.S. cross-border clients by CS Group while not registered with the SEC as a broker-dealer or investment adviser. As part of the settlement, CS Group paid \$196,511,014, which included \$82,170,990 in disgorgement, \$64,340,024 in interest and a \$50,000,000 penalty. Neither the Registrant nor any other affiliate of CSAG registered with the SEC as an investment adviser under the Advisers Act or a broker-dealer under the Securities Exchange Act of 1934 was named in any of these settlements or involved in the conduct underlying these settlements.

On December 17, 2013, the Acting Attorney General of New Jersey on behalf of the Acting Chief of the New Jersey Bureau of Securities filed a complaint in the Superior Court of New Jersey, Mercer County Chancery Division, against Credit Suisse Securities (USA) LLC ("CSSU") and certain of its affiliates in connection with US residential mortgage-backed securities (RMBS) trust certificates prior to the 2008 financial crisis. A consent order and final judgment (the "Consent Judgment") was entered on October 24, 2022 that, in relevant part, ordered permanent relief under the New Jersey Uniform Securities Law ("New Jersey Securities Law") that CSSU and its affiliates not violate the New Jersey Securities Law. The Consent Judgment did not involve the Funds or the services that Credit Suisse Asset Management, LLC ("CSAM"), Credit Suisse Asset Management Ltd. ("Credit Suisse UK" and together with CSAM, the "Credit Suisse Investment

Advisers”), CSSU and their affiliates provided to the Funds. On November 14, 2022, the Credit Suisse Investment Advisers and CSSU voluntarily notified the staff of the US Securities and Exchange Commission (the “SEC”) regarding the entry of the Consent Judgment. Following the entry of the Consent Judgment, the Credit Suisse Investment Advisers and CSSU continued to provide investment advisory and distribution services (the “Services”), as applicable, to the Funds based on their position at the time that the Consent Judgment did not trigger the disqualification provisions of Section 9(a). Section 9(a) of the 1940 Act prohibits an entity from serving as an investment adviser or principal underwriter for registered funds if the person or one of its affiliates is “permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction . . . from engaging in or continuing any conduct or practice in connection with . . . the purchase or sale of any security.” The Credit Suisse Investment Advisers, CSSU and certain of their affiliates nevertheless applied for an exemption from the disqualification provisions of Section 9(a) of the 1940 Act due to its broad scope. On June 7, 2023, the Credit Suisse Investment Advisers, CSSU and certain of their affiliates applied for and the SEC issued a temporary order, and on July 5, 2023, the SEC granted a permanent order, which provides: (i) a time-limited exemption from Section 9(a) to the Credit Suisse Investment Advisers, CSSU and certain of their affiliates, which enables the Credit Suisse Investment Advisers and CSSU to provide the Services to the Funds until June 12, 2024 (by which point the Services are anticipated to be transitioned to one or more UBS (as defined below) registered investment advisers and distributors), and (ii) a permanent exemption from Section 9(a) to UBS Group AG and its affiliates (“UBS”).

On December 13, 2023, the SEC entered an administrative cease-and-desist order (the “Order”) against the Credit Suisse Investment Advisers and CSSU. The Credit Suisse Investment Advisers and CSSU consented to the Order without admitting or denying the findings therein. The SEC alleged in the Order that the Consent Judgment caused the Credit Suisse Investment Advisers and CSSU to be deemed ineligible to provide the Services to registered investment companies, including the Funds, under Section 9(a) of the 1940 Act and that, during the period from October 24, 2022 to June 7, 2023, the Credit Suisse Investment Advisers acted as investment adviser and CSSU acted as principal underwriter to the Funds in violation of Section 9(a) of the 1940 Act. Under the terms of the Order, the Credit Suisse Investment Advisers and CSSU were censured and agreed to cease and desist from committing or causing any violations and any future violations of Section 9(a) of the 1940 Act. The Credit Suisse Investment Advisers and CSSU agreed to pay disgorgement, prejudgment interest and civil penalties totaling \$10,080,220.

Additionally, the Registrant has made available other disciplinary items in Part I, Item 11 of the ADV which can be found on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

As the Registrant is under the control of UBS Group, it has U.S and non-U.S. affiliates that engage in a variety of financial services activities. The Registrant may be required to disclose certain disciplinary events involving those affiliates. In additions, such actions may require the Registrant to seek exemptive or other relief from the SEC or other regulators in order to permit the Registrant to continue to conduct its investment advisory business. There is no assurance that such relief will be granted or, if granted, what terms or conditions the Registrant may need to agree to with respect to its business as a result of the conduct of its affiliates

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

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The Registrant is a U.S. registered investment adviser under the control of UBS Group AG, a foreign bank holding company based in Switzerland, which has various U.S. and foreign subsidiaries and affiliates that engage in a variety of securities, broker-dealer, investment company, investment adviser, commodities, banking, consulting, real estate and custodial activities worldwide. The Registrant conducts its business as part of the Asset Management Division of CS (as defined below). The Registrant is also registered with the CFTC as a Commodity Trading Advisor (“CTA”) for certain separate accounts and a Commodity Pool Operator (“CPO”) for certain Funds.

The Registrant has filed a notice of claim for exemption pursuant to CFTC Rule 4.7, which exempts a CTA and a CPO who files a notice of claim for exemption from having to provide a CFTC-mandated Disclosure Document to certain highly accredited clients, defined as “qualified eligible participants” who consent to their account being Rule 4.7 exempt QEP accounts. Upon receiving consent, the Registrant is exempt from the requirement to provide a Disclosure Document with respect to its Rule 4.7 exempt QEP accounts. In accordance with Rule 4.7, the Registrant is required to display the following disclosure statement with this brochure:

**PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS FIRM BROCHURE IS NOT REQUIRED TO BE, AND HAS NOT BEEN FILED WITH THE COMMODITY FUTURES TRADING COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR FIRM BROCHURE.**

From time to time, the Registrant may, with prior client consent (if necessary) and to the extent permitted by applicable law, delegate some or all of its responsibilities, duties and authority under an investment management agreement or other similar agreement to one or more of its affiliated investment advisers. The Registrant’s affiliated advisers may likewise delegate some or all of their responsibilities, duties and authority to the Registrant.

### **Affiliated Relationships**

The Registrant has arrangements and transacts, subject to applicable law, with related persons under the control of Credit Suisse including but not limited to (i) broker-dealers with which the Registrant may engage in securities transactions, among other things; (ii) investment companies, both private and registered; (iii) investment companies for which the Registrant acts as investment adviser, sub-adviser or administrator, among other things; (iv) other investment advisers for which the Registrant acts either as adviser or as sub-adviser to, among other things; (v) CPOs, CTAs or futures commission merchants with which the Registrant may engage in certain commodities transactions on behalf of certain clients, among other things; (vi) banking or thrift institutions for

which the Registrant may provide advisory services, among other things; (vii) pension consulting and (viii) entities that create or package Funds or other accounts for which Registrant may provide advisory services, among other things. The Registrant may also have co-advisory, sub-advisory, relationships with affiliated advisers as required for proper management of Funds and in accordance with applicable law. As such, certain tasks may be performed by employees of the Registrant's affiliate.

The Registrant or an affiliate will generally serve as General Partner to Funds advised by the Registrant. A description of each Fund, including its operation and activities, management fees, performance fees (if any) and structure can be obtained from such vehicles offering documentation.

With respect to venture capital or other private equity-focused funds, Credit Suisse will, from time to time, accrue additional benefits, besides investment gains as an investor and General Partner, from the investments which would not accrue to investors in the Fund, including but not limited to investment banking revenue, CS utilizing technology platforms which the Fund is a strategic investor in, etc. As such, potential conflicts of interest are more fully disclosed in the Fund's governing documents (i.e., private placement memorandum).

### **Affiliated Broker Transactions**

In the course of conducting its business, as permissible under applicable laws, CSSU or another affiliated broker will from time to time act as broker or agent in effecting securities transactions for its clients or other persons; purchase from or sell securities for its own account, or account that it has an interest in, that it also recommends to clients; and act as General Partner or invest in other Funds in which clients may be solicited to invest. Although the investment vehicles are under no obligation to retain CS or any of its affiliates, the investment vehicles may elect to retain either CS or one of its affiliates. Such arrangements will be negotiated on an arm's length basis. The commission rates charged to clients by brokers (including affiliated brokers) are negotiated and, therefore, different rates may be charged depending on the service or package of services provided to the client. In connection with the overall services provided by CS and consistent with the investment objectives of the investment vehicles, investors may be solicited to invest in other limited partnerships (or other controlling entities) in which CS or one of its affiliates serves as a General Partner.

### **Financial Interest in Transactions**

In certain situations, the Registrant will recommend to clients the purchase or sale of securities in which one or more of its related persons has a financial interest or position. For example, related persons of the Registrant, including UBS Group and other foreign affiliates, engage in various investment banking and lending activities with issuers of the types of securities the Registrant will recommend to its clients. Employees of the Registrant's related persons that refer investment opportunities that result in a client's investment in that opportunity may receive incentives. In the case of such referrals, the Registrant, its related persons, and employees will at all times act in accordance with applicable regulatory requirements, internal policy and client guidelines concerning conflicts of interest, and principles of fiduciary duty. In addition, employees of the Registrant and its affiliates may serve as directors of various companies that the Registrant may

purchase or sell on behalf of its clients. Any such outside activities, however, are subject to the Registrant's Outside Activities and Private Investment policy, discussed below.

Further, employees of the Registrant or its affiliates may co-invest or be offered the right to co-invest in various Funds and, with respect to certain private investments, on the same terms and conditions as those applicable to the corresponding investments by the Funds or may invest in a different class of securities from those invested in by the Funds. These employees can include members of the investment committee for the Funds. Any such co-investments are subject to the Registrant's and its affiliates' Outside Activities and Private Investment policy. The Registrant will disclose to its advisory clients its relationship with such affiliates to the full extent required by applicable law. As a result of these activities, the Registrant may acquire confidential information or be restricted from transacting in certain securities. The Registrant will not be free to disclose or act upon such confidential information and as a result may not initiate a transaction which it otherwise might have or which may be beneficial to its clients. In addition, the Registrant and/or its related persons hold investments in certain investment companies for which the Registrant acts as an investment adviser.

The Registrant might recommend that its clients purchase shares of investment companies that the Registrant's related persons advise and from which the Registrant and/or its related persons receive advisory, administration and/or distribution fees. However, the Registrant will send to each client written disclosure of the Registrant's relationship to any such investment company and no purchases are made in such investment companies for discretionary accounts without the prior consent of the client.

In the event client assets are invested in any such investment company steps are generally taken to avoid the payment of duplicative fees to the Registrant and its related persons. The Registrant and related persons also act as General Partners or investment managers for Funds or other accounts, and the Registrant may recommend the purchase of those vehicles to its clients. See also, responses in Item 11 below.

### **Affiliated Advisers**

The Registrant will not enter into an investment advisory relationship with any prospective client whose investment objectives may be considered incompatible with the Registrant's investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines, provided however, that if such prospective client's investment objectives are compatible with the strategies employed by an affiliate of the Registrant with whom the Registrant has an arrangement with respect to products or advisory services that such affiliate may provide for its own clients and clients of the Registrant, the Registrant may enter into the advisory agreement with the affiliate at no additional charge to the client, with the Registrant being responsible to pay the affiliate adviser's fees.

### **Proprietary Trading and Seed Capital Investing**



The Registrant generally does not engage in any proprietary trading for its own account, but certain affiliates will do so, in compliance with applicable law. The Registrant and its affiliates will provide seed capital to certain Funds sponsored by the Registrant and/or its affiliates to fund new investment strategies in order to establish performance track records, raise capital from third-party investors and ultimately redeem firm capital from the Fund. For certain strategies, the Registrant or its affiliate will hedge its seed capital exposure in a UBS-sponsored Fund and the actual exposure of the Registrant and/or its affiliates to such Funds will vary from 0% to 100% of the total contributed capital. As a result of these seed capital contributions, such Funds could be considered proprietary accounts in certain circumstances. In addition, the Registrant will manage separate accounts for certain affiliates, which may be considered proprietary accounts in certain circumstances. The Registrant generally takes the view, however, that these types of accounts are client accounts and seeks to treat them in a similar manner to other client accounts.

If the Registrant provides seed capital to a Fund, generally, the Registrant will be subject to the same withdrawal terms applicable to the Fund's other investors, however, under the Volcker Rule, the Registrant may need to reduce its capital in order to conform with applicable regulatory restrictions. Certain of these investments made by the Registrant will not be subject to the management fee or incentive allocation. In addition, the Registrant will have access to information regarding the investments and performance of the Funds' portfolios that will not generally be available to other investors in the Funds and may take action adverse to Registrant's clients based on such information.

### **Additional Considerations**

As described previously the Registrant will generally be deemed a related party with respect to UBS Group, including its various directly and indirectly owned subsidiaries. These entities engage in a variety of financial services activities. In the regular course of business, UBS Group and its affiliates may engage in activities where their interests or the interests of their clients conflict with the interests of the Registrant's clients.

The potential conflicts of interest that may arise due to the broad spectrum of activities engaged in by UBS Group, the Registrant and its affiliates are described in detail in the offering documents of the Funds advised by the Registrant. These potential conflicts, which may arise in the regular course of business, include, but are not limited to, the following: (i) UBS Group and its affiliates may receive investment banking fees from Portfolio Companies and other parties involved in transactions with the Registrant's clients; (ii) UBS Group or its affiliates, may act, or may seek to act, as a financial advisor to third parties in connection with the sale or purchase of securities or businesses meeting the investment objectives of the Registrant's clients, which may prevent the Registrant's clients from investing in the securities or businesses being sold; (iii) UBS Group and its affiliates may act, or may seek to act, as financial adviser to a potential third-party buyer of a potential investment that the Registrant's clients are also seeking to buy, or a potential buyer of an existing Portfolio Company or any assets or businesses held by an existing Portfolio Company; (iv) Registrant's clients may be offered an opportunity to make an investment (a) in connection with a transaction in which UBS Group, its affiliates or one of their clients (or one of the Registrant's own clients) is expected to or seeks to participate or (b) in a company in which UBS Group, its affiliates or one of their clients (or one of the Registrant's own clients) already has made, or concurrently will make or seek to make, an investment; (v) a client of the Registrant may

hold a different class of securities of the same issuer than another client of the Registrant or a different class than UBS Group, its affiliates or one of their clients hold; (vi) purchases or sales of securities, assets or businesses whose securities are held by a client of the Registrant may be made from or to UBS Group, a UBS Group affiliate or one of their clients (or another client of the Registrant); (vii) proceeds from the sale of securities by one of Registrant's clients may be used to repay a loan to the issuer from UBS Group, a UBS Group affiliate or client (or to one of the Registrant's other clients); (viii) UBS Group and its affiliates may make investments or undertake investments on behalf of their clients that are similar to the investments intended to be made by the Registrant's clients; (ix) the Registrant's clients may enter into arrangements to acquire or sell debt or equity investments, borrow funds, or guarantee borrowings of funds from, or enter into hedging or other transactions with, UBS Group or its affiliates; (x) UBS Group and its affiliates have, and may in the future develop, relationships with a significant number of companies and their senior managers, including relationships with clients who may hold or may have held investments similar to the investments intended to be made by Registrant's clients; (xi) employees of UBS Group may receive remuneration as a result of cross-divisional transactions and referrals made to its affiliates; (xii) UBS Group and its affiliates may make investments on behalf of clients into Funds managed, advised or sponsored by UBS Group or one of its affiliates; and (xiii) UBS Group and its affiliates may have financial interests that diverge from those of Registrant's clients and may take actions harmful to Registrant's clients. The Registrant has implemented policies and procedures reasonably designed to identify, and to mitigate or avoid, the potential conflicts associated with the range of activities conducted by UBS Group. These policies include electronic and physical barriers to prevent the misuse of confidential information within UBS Group.

The Registrant, in managing client portfolios may acquire investments representing parts or levels of an issuer's capital structure different than those held in other client portfolios. The Registrant acknowledges there will be conflicts of interest in managing such investments in distressed situations. For example, the Registrant, on behalf of a client, may elect to serve on creditors' committees, official or unofficial, equity holders' committees or other groups to ensure preservation or enhancement of the client's position as a creditor or equity holder in bankruptcy or insolvency proceedings or otherwise be engaged in financial restructuring activities in a variety of capacities. Such activities may result in the Registrant receiving confidential information that may, as a result of applicable securities laws or the internal policies of the Registrant, limit or otherwise constrain the Registrant's flexibility in purchasing or selling securities or other obligations with respect to all client portfolios. At times, the Registrant, in an effort to avoid such restrictions or limitations for client portfolios, may elect not to receive confidential information, which may be relevant to the client portfolios, that other market participants are eligible to receive or have received. However, the Registrant may choose to implement information barrier procedures to allow investments to be managed independently by preventing the transmission of private side information to those managing public side client holdings. These procedures are designed to balance the various investment interests of all clients during distressed situations, manage potential conflicts between clients, and satisfy fiduciary duties owed to all clients. Investment banking affiliates of the Registrant may advise buyers acquiring a distressed company, while the Registrant serves on the creditors' committee of the company as a result of its clients' equity or debt holdings of the company. The Registrant has established information barrier procedures as well.

In addition, other potential conflicts of interest may arise due to the activities of the Registrant and its personnel. These potential conflicts include, but are not limited to, the following: (i) personnel of the Registrant may serve as directors of certain companies in which the Registrant's clients have an interest, and, in that capacity, will be required to make decisions that consider the best interests of the portfolio company rather than the individual interests of the Registrant's clients; and (ii) personnel of the Registrant may serve in various other capacities and will devote such time to each of the Registrant's clients as the Registrant, in its sole discretion, deems necessary to carry out the operations of each client effectively. The Registrant and its affiliates provide investment advisory and other services to various clients and may give advice or take other actions in the performance of those services to some clients that may differ materially from the advice given, or the timing or nature of actions taken, with respect to other clients.

As noted above in Item 6, the receipt of performance fees by the Registrant or its affiliates creates a potential conflict of interest because the Registrant could benefit from disproportionately allocating investment opportunities to those client accounts subject to performance fees. The Registrant has adopted policies and procedures designed to ensure that investment opportunities are allocated fairly among eligible accounts (i.e., clients with similar investment strategies) over time.

Certain personnel of the Registrant will be involved in managing client accounts, as well as the management of CLOs managed by the Registrant. The Registrant has adopted procedures restricting secondary transactions on behalf of client accounts in CLOs managed by the Registrant, where the Registrant possesses material non-public information regarding the CLO.

### **Expert Research Networks**

For certain CIG clients, the Registrant may utilize expert network services to obtain market, sector, company or other information. There may be a conflict of interest in such arrangements as the experts are financially incentivized to provide information in order to maintain their position within the network. The Registrant has policies and procedures in place that seek to address such conflicts, including managing the risks of receiving inside information.

### **QIS Program**

QIS calculates indices. Potential conflicts of interest may arise because the Registrant may manage client portfolios that track the performance of these indices. The Registrant has established procedures to monitor differences in performance between indices and client portfolios.

### **Monitoring of Conflicts of Interest**

The Registrant has established policies and procedures to identify and address potential conflicts of interest. Any conflicts of interest that arise between one of the Registrant's clients and UBS Group and its affiliates or their clients (or another client of the Registrant) will be discussed and resolved on a case by case basis by senior officers of UBS Group and its affiliates and representatives of the Registrant, or internally by the Registrant, as applicable. Any such discussions will take into consideration the interests of the relevant parties and the circumstances

giving rise to the potential conflict. Potential conflicts will not necessarily be resolved in favor of Registrant's clients or any one of Registrant's clients. To the extent possible, the Registrant will seek to engage in arm's-length transactions in which UBS Group and its affiliates have a direct or indirect financial interest.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING**

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

The Registrant strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, the Registrant has adopted a Code of Ethics which establishes ethical standards for the Registrant and seeks to avoid the appearance of conflicts of interest. The Code of Ethics incorporates the following general principles that all employees are expected to uphold: employees must at all times place the interests of clients first; all personal securities transactions must be conducted in a manner consistent with the Registrant's Personal Account Trading Policy and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided; employees must not take any inappropriate advantage of their positions; information concerning the identity of securities and financial circumstances of the Registrant's clients, including the investors in the Funds and other accounts managed by the Registrant, must be kept confidential; and independence in the investment decision-making process must be maintained at all times.

The Registrant's Personal Account Trading Policy also permits personnel covered by the Code of Ethics ("Covered Persons") to invest in securities, including securities that may be purchased or held by clients, subject to certain disclosures and restrictions that are designed to address potential conflicts of interest that could arise from personal trading by advisory personnel, including: (i) all Covered Persons must report their personal securities transactions in accordance with Rule 204A-1 of the Advisers Act and Rule 17j-1 of the Investment Company Act; (ii) with certain limited exceptions, all Covered Persons must obtain pre-clearance before executing any personal securities transactions; (iii) Covered Persons may not execute personal trades in a security if there are any pending orders in that security by clients; (iv) generally, Covered Persons may not invest in initial public offerings; and (v) Covered Persons are subject to minimum holding periods, blackout periods and a restricted securities list. Clients may request a copy of the Code of Ethics by contacting the Registrant c/o Credit Suisse, Investor Relations, Eleven Madison Avenue, 9th Floor, New York, New York 10010, 877-435-5264.

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

The Registrant expects to execute trades through its related persons on both a principal and agency basis, as discussed in further detail below. All such activities will be conducted in accordance with the Registrant's duty to seek best execution for its clients and otherwise in accordance with applicable law, including Section 206 of the Advisers Act and the rules thereunder. These activities, if required or appropriate, will include appropriate disclosure to and receipt of consent from an independent source such as a conflicts review service provider, an advisory committee, an independent adviser or an authorized representative of the relevant client.

Further, when engaging in such transactions, the Registrant will seek to comply, as applicable, with the Advisers Act, the Investment Company Act, the Employee Retirement Income Security Act of 1974 ("ERISA"), and/or other applicable laws, rules or regulations, including any

interpretations, modifications, exemptions or other relief or permission from or by the SEC, SEC staff, the U.S. Department of Labor (the “DOL”), DOL staff or other authority with appropriate jurisdiction.

The Registrant has established policies, procedures and disclosures designed to address and monitor potential conflicts of interest arising in connection with trading between accounts of its clients and the Registrant.

#### Principal Transactions

To the extent permitted by applicable law, the Registrant may enter into transactions and buy or sell securities or instruments for the account of certain clients when one or more affiliates of the Registrant acts as principal or otherwise makes a market in such securities or when an affiliate is the underwriter of such securities. Use of such affiliates will create conflicts of interest due to the conflicting loyalties between the affiliate and the Registrant’s clients. To mitigate this conflict of interest, when the Registrant enters into a principal transaction it employs either a designated Conflicts Review Board, the independent board of directors of the related Fund or an authorized representative of the client to obtain consent to the transaction. In addition, a review process is used to ensure that consent for the transaction is received and complies with applicable law. Failure to obtain consent may result in unwinding or “breaking” the trade at the expense of the Registrant. However, in selecting any affiliate, the Registrant will use the same criteria as it uses to select any other broker or dealer, including a fiduciary obligation and to seek best execution.

#### Cross Transactions

The Registrant may buy or sell securities for clients when an affiliate of the Registrant serves as broker for both the Registrant’s client and the party on the other side of the transaction. From time to time, the Registrant also may direct a client to sell investments to another client, subject to applicable guidelines. If the Registrant engages in such transactions, it will receive no compensation in connection therewith and will seek to comply with applicable law. To the extent an affiliated broker-dealer of the Registrant receives compensation in connection with such a transaction, the Registrant will disclose the dual capacity in which the affiliated broker is acting and will obtain the consent of the client prior to effecting the transaction, unless the client, prior to effecting the transaction, has granted permission to engage in these types of transactions in accordance with Rule 206(3)-2 under the Advisers Act. Cross transactions include trades between Funds or accounts advised by the Registrant or its affiliates. Cross transactions will enable the Registrant to purchase or sell a block of securities or other instruments for a client at a set price and possibly avoid an unfavorable price movement that may be created through entrance into the market with such purchase or sell order. In all cases, if the Registrant engages in a cross transaction, it will do so if it believes it is in the best interest of all clients participating in the transaction. This may have a potentially conflicting division of responsibilities to both parties to a principal or cross transaction. For additional information concerning the interests of the Registrant and its affiliates in client transactions, see Item 10 above.

## ITEM 12: BROKERAGE PRACTICES

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### **Commission Rates and Research Services**

Brokers are selected primarily on the basis of the execution capability and trading expertise consistent with the effective execution of the transaction. Each security, loan or debt instrument transaction will be placed with specific broker-dealers selected by the Registrant with the overriding goal of receiving “best execution” at a fair, competitive brokerage cost. In selecting broker-dealers, the Registrant seeks to do business with those broker-dealers that, in the Registrant’s judgment, can be expected to provide the best service considering such factors as executions and operational capacity, transaction support, research, capital introduction capabilities, ongoing diligence, integrity and sound financial practices. The service has two main aspects: the execution of buy and sell orders and the provision of research. In negotiating commissions with broker-dealers, the Registrant will pay no more for execution and research services than it considers either or both together, to be worth. The worth of execution service depends on, among other things, the ability of the broker-dealer to minimize costs of securities purchased and to maximize prices obtained for securities sold. The worth of research depends on its usefulness in optimizing portfolio composition and its changes over time. When the Registrant uses client brokerage commissions to obtain research or other products or services, the Registrant receives a benefit because it does not have to produce or pay for the research, products or services. Additionally, the Registrant has an incentive to select or recommend a broker-dealer based on the Registrant’s interest in receiving the research or other products or services, rather than on its clients’ interest in receiving most favorable execution.

The Registrant may enter into soft dollar or client commission arrangements where applicable. Brokerage commissions that are generated for the combination of execution and research services that meet the Registrant’s standards may be higher than for execution services alone or for services that fall below the Registrant’s standards. The Registrant believes that these arrangements may benefit all clients and not necessarily only the accounts in which the particular investment transactions occur that are so executed. Further, the Registrant will only receive brokerage or research services in connection with securities transactions that are consistent with the “safe harbor” provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended, when paying such higher commissions. To the extent the Registrant provides advisory service for multiple accounts, research may be used to service all of the Registrant’s accounts, not just those paying for it, although the benefits are not necessarily allocated proportionately to the accounts generating soft dollar credits.

The Registrant may utilize independent brokerage firms and independent consulting firms in addition to its internal professional staff for the origination of research ideas. Among the research services that the Registrant will receive from brokerage firms are the following:

- Research on specific industries
- Research on specific companies
- Macroeconomic analyses
- Analyses of national and international events and trends

- Evaluations of thinly traded securities
- Computerized trading screening techniques and securities ranking services
- General research services (i.e., Bloomberg, Reuters)
- Market Data Services (i.e., order management routing systems)

In certain cases, a research service may serve other functions that are not related to the making of investment decisions (such as accounting, record keeping or other administrative matters). When a product or service is obtained with commissions and is deemed to be mixed use, the Registrant will make a good faith allocation of the cost of the product according to its use. Those services that provide administrative or other non-research assistance to the Registrant will be paid solely using the Registrant's own funds.

Neither the research services nor the amount of brokerage given to a particular broker-dealer are made pursuant to an arrangement or commitment that would obligate the Registrant to compensate selected broker-dealers for the services provided.

In certain investment strategies (usually fixed income), dealers act as principals and not brokers when effecting transactions. These transactions are effected through market makers who earn a markup on the transaction. Transactions in certain assets such as leverage loans and distressed debt are often subject to settlement periods in excess of the securities standard of trade date plus two days. Settlement periods can range from seven days to thirty days or longer in certain cases. Unless otherwise agreed to, a seller owns the security until closed and as such is entitled to all interest and fees earned and accrued until closing occurs. Other terms may be negotiated as warranted. Participants are subject to ongoing market risk to the extent that settlement is lengthy.

### **Trade Aggregation, Allocation and Errors**

With respect to clients that invest directly in investment securities or other assets, if the Registrant believes that the purchase or sale of a security is in the best interest of more than one client, it may (but is not obligated to) aggregate the orders to be sold or purchased to obtain favorable execution or lower brokerage commissions, to the extent practicable and when permitted by applicable laws and regulations. In the event the Registrant aggregates an order for participating accounts, the method of allocation will generally be determined prior to the trade execution. Although no specific method of allocation of transactions (as well as expenses incurred in the transactions) is expected to be used, when trades are aggregated, the transactions, as well as the expenses incurred in the transactions, will be allocated by the Registrant according to a policy designed to seek to ensure that such allocation is fair and equitable over time and consistent with the Registrant's fiduciary duty and client guidelines in order to construct a fully invested portfolio (including its duty to seek to obtain best execution of trades). Aggregation of orders under this circumstance should, on average, decrease the costs of execution.

Depending upon markets conditions, the aggregation of orders may result in higher or lower average prices paid or received. Orders which are not aggregated are entered at the market prices prevailing at the time of the transaction. Accordingly, trades that are not aggregated and entered at different times during the same day may result in different pricing. In addition, derivative transactions may be priced by the counterparty or pursuant to the respective documentation for the derivative transactions. Thus, instruments in client portfolios may be priced at different levels as



a result of the timing of execution. While the Registrant seeks to minimize the price disparity that may result, there can be no assurance that consistent pricing will be achieved among clients. Further, there is no assurance that clients with similar strategies will hold the same investments or perform in a similar manner.

As noted below, the Registrant may not be able to aggregate securities transactions for clients who direct (or whose platform directs) the use of a particular broker-dealer. In those instances, the Registrant may effect transactions with particular broker-dealers on a rotation basis consistent with its trading policy. As a result, the client also may not benefit from any improved execution or lower commissions that may be available for such transactions.

Similar to the Registrant's process to aggregate trades, allocations of investment opportunities are made in a manner which the Registrant deems to be fair and equitable to clients over time. Additionally, due to the nature of certain assets as well as specific client guidelines pro rata allocation of trading opportunities is not always feasible, therefore such allocations are driven primarily by a number of factors, including client guidelines, a Fund's documentation, legal and tax concerns and the Registrant's internal investment policies, if any. Under certain circumstances, clients will not be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order. The effect of the aggregation therefore, on some occasions could either advantage or disadvantage a particular client. The Registrant's internal investment policies are based in general on its overall view of market conditions relative to the portfolio's including such factors as the nature and size of existing and other portfolios under management as the nature and size of existing holdings, cash positions. For example, consideration may be given to Funds which are ramping up or have sizable asset inflows or outflows. Allocations may be made to accounts managed in a similar manner in order to provide similar size exposure to investments.

Pursuant to this policy, each client that participates in an aggregate order may typically participate on a pro rata basis at the average share price for the aggregated order in that security on a given business day, by broker, with transaction costs shared pro rata based on each client's allocations to the relevant trades. The accounts aggregated may include registered and unregistered investment companies managed by the Registrant's affiliates and accounts in which the Registrant and its affiliates and their respective officers, directors, agents or employees own interests or may benefit directly or indirectly. If the order is partially filled, it generally will be allocated pro rata in portion to the size of the orders placed for each participating client, except that the Registrant may make a *de minimis* exception from allocation by indicating at the time an order is placed a position amount that is not worth allocating to a client. The *de minimis* amount may also be determined by the market (i.e., securities may be traded only in minimum lot sizes or blocks). Certain odd lots may also be *de minimis* for certain types of clients.

The Registrant's policies and systems have been reasonably designed to minimize potential errors when managing client assets. While the Registrant employs policies and procedures to avoid errors, it should be noted that any policy and procedure developed could not possibly anticipate every potential error. For example, errors may occur in the investment decision-making process (e.g., a decision may be to purchase a security or an amount of a security that violates client guidelines), in the trading process (e.g., a buy order may be executed as a sell order or vice versa), or as operational or settlement errors. We endeavor to identify such errors at the earliest possible time, correct them as soon as practicable, including but not limited to reallocation, where

appropriate, and documentation. Depending on the type and severity of the error, the firm will typically undertake a review to determine whether a potential systemic weakness exists which requires adjustment in order to reasonably prevent reoccurrences of such errors.

Please also refer to the section on Quantitative Model Risks in Item 8 of this brochure.

The Registrant has multiple investment committees which are more prevalent within the Registrant's illiquid investment strategies. Each committee is responsible only for its clients and investment opportunities are generally not allocated among clients of different investment committees. Similarly, each portfolio management team (e.g., Commodities or CIG) is only responsible for its clients and will generally not make available to other portfolio management teams investment opportunities it has sourced for its clients.

### **Broker or Dealer to be Used**

Most clients for whom the Registrant serves as investment adviser leave the selection of brokers or dealers to effect securities transactions to the discretion of the Registrant. In certain circumstances, including with respect to certain arrangements with third-party platforms, the Registrant is instructed which brokers and dealers to use or not to use to execute securities transactions. The use of these designated brokers or dealers for brokerage purposes will, at all times, be subject to the Registrant's overriding goal of receiving "best execution" at a fair, competitive brokerage cost for its clients, but it may not be possible for the Registrant to obtain for affected clients the lower rates that might be obtainable if the Registrant had full discretion in the selection of the executing firm.

### **Wrap Programs**

With respect to MFIG clients who participate in wrap fee programs, the Registrant only effects transactions in municipal fixed income securities and U.S. Treasury debt. Substantially all these fixed income transactions will be executed by broker-dealers other than the sponsor as the Registrant is restricted from effecting trades with the sponsor on a principal basis. While the Registrant does not charge any additional fees or commissions for trading away from the sponsor, wrap program participants will incur mark-ups/concessions built into fixed income transaction prices due to the over-the-counter nature of the market. Mark-ups/concessions are paid on fixed income trades regardless of whether the client participates in a wrap fee program.

## **ITEM 13: REVIEW OF ACCOUNTS**

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The Registrant has policies in place for reviewing portfolio transactions for consistency with investment objectives, suitability, and that over time investment opportunities are fairly allocated among eligible accounts. The Registrant's investment professionals review the relevant portfolios periodically and on an on-going basis and provide reports in a manner, and at a frequency, as may have been negotiated with the client(s) or as set forth in the Fund's documentation. In addition, clients generally are provided with periodic reports and relevant tax reporting information. Special reports may be developed to meet specific client requirements or respond to client inquiries.

Generally, securities for which market quotations are readily available will be assigned the independent mark and all other securities (and other assets) will be assigned their "fair value" as determined in good faith by the Registrant, subject to the policies and procedures on valuation and independent quarterly reviews by a valuation committee comprised of firm-wide representatives, including senior management from the Registrant.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

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The Registrant will pay fees to certain financial intermediaries, advisers, planners, and individuals who refer their clients to the Registrant, in accordance with applicable law. To the extent those clients invest in a Fund, depending upon a Fund's structure and documentation, such fees can be paid from the Fund's assets. In addition, the Registrant may pay a portion of the advisory fee and/or performance fee, if any, to any of its affiliates and other third parties for certain clients referred to it by such affiliates and other third parties. Such fees paid to any affiliates and other third parties also will be in accordance with applicable law, and any other applicable obligations of those individuals and entities receiving such fee.

Registrant will conduct these activities in accordance with Rule 206(4)-1 under the Advisers Act (the "Marketing Rule"), which includes certain requirements when compensating persons who refer prospective clients or investors to the Registrant ("Referring Persons") Clients and investors receive specific disclosures related to these arrangements as required by the Marketing Rule and applicable law.

Certain affiliates of UBS Group hold an equity interest in a General Partner of a Fund and hence will receive a portion of the revenues or profits of some or all of these entities in addition to the fees received by UBS Group and/or its affiliates for serving in the capacity of placement agent.

Employees of the Registrant's affiliates may introduce opportunities that result in an investment by a client of the Registrant. Employees that refer opportunities that result in an investment by a client may be entitled to receive incentive compensation for the referral consistent with client guidelines and internal policy.

In addition, employees and affiliates of the Registrant may introduce prospective advisory clients and/or investors to the Registrant. Employees of the Registrant who refer clients to other divisions of UBS Group for products or services may be entitled to receive incentive compensation for the referral which does not increase the fees or expenses paid by the client for the product or service. The relationship between the solicitor-employee and the Registrant is disclosed to the prospective advisory client at the time of the solicitation. Under the Credit Suisse Single Global Currency ("SGC") program, employees are encouraged to make cross-divisional referrals of clients and prospective clients and/or investors which may include referrals to the Registrant. Policies are in place to address the principles that must be adhered to when making cross-divisional client and prospective client referrals and will determine eligibility for SGC. The use of referral and solicitation arrangements, including SGC, may create a potential conflict of interest. As described above the Registrant has policies and procedures in place to address and mitigate the potential conflicts.

## ITEM 15: CUSTODY

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The Registrant generally does not maintain direct custody of client assets. However, under Rule 206(4)-2 under the Advisers Act, “custody” is broadly defined to also include holding indirectly client funds or securities, or having any authority to obtain possession of them. In particular, the Registrant is considered to have custody of its clients’ assets in either of the scenarios described below:

- With respect to managed accounts, because the Registrant is authorized under the client’s agreement with the Registrant to withdraw the client’s funds or securities maintained with a third-party custodian upon the Registrant’s instruction to the third-party custodian; and
- With respect to certain of Funds advised by the Registrant, the Registrant or an affiliate of the Registrant serves in a capacity (such as general partner of a limited partnership, managing member of a limited liability company or a comparable position for another type of pooled investment vehicle, or trustee of a trust) that gives it legal ownership of or access to the Funds’ funds or securities.

In order to avoid any potential conflict of interest that indirect custody of client assets may cause, the Registrant takes the following actions required or permitted by Rule 206(4)-2:

- With respect to managed accounts, the Registrant makes due inquiry in order to have a reasonable basis to believe that the third-party custodian sends an account statement, at least quarterly, to each managed account holder, identifying the amount of funds and of each security in the account at the end of the period and setting forth all transactions in the account during that period. Managed account holders should carefully review the account statements that they receive from their third-party custodian, and they are urged to compare those account statements with the account statements that they receive from the Registrant.
- With respect to Funds, the organization documents of such Funds provide for the annual audit of the vehicles’ financial statements and the delivery of such audited financial statements to investors. Investors in these Funds are instructed to review the financial statements carefully.
- With respect to (i) managed accounts for which the Registrant has custody for reasons other than authority to pay advisory fees and (ii) Funds for which the Registrant is not required or is unable to timely deliver audited financial statements of the Fund to its investors, the Registrant is required to undergo an annual surprise examination for those accounts. The auditor’s procedures for the surprise examination include confirmation of assets and confirmation of contributions and withdrawals. In addition, these accounts also maintain their holdings at a qualified custodian.
- For certain Funds, CS affiliates will be utilized for custodial services, repo and other securities transactions which could result in the Registrant having custody of the Fund’s

assets. When such situations arise, the affiliates will engage a third-party accounting firm to perform a control review to satisfy the requirements of the rule.

## **ITEM 16: INVESTMENT DISCRETION**

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Generally, the Registrant's portfolio management teams have sole discretion to determine, on behalf of a client, which securities will be bought or sold (and in what amount) by the client. The respective investment management agreement, partnership agreement and/or private placement memorandum may, however, place certain restrictions on the type and amount of securities which the Registrant can buy on behalf of the client. In certain cases the client may maintain discretion over which securities may be bought and sold, in which amount and when and this would be noted as part of those materials.

## ITEM 17: VOTING CLIENT SECURITIES

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Investments in Funds do not typically convey traditional voting rights, and the occurrence of corporate governance or other consent or voting matters for this type of investment is substantially less than that encountered in connection with registered equity securities. On occasion, however, an investor may receive notices or proposals from a Fund seeking the consent of or voting by such investor (“proxies”).

The Registrant is required to describe its proxy voting policies and procedures and, upon the request of any client, to provide such person with (i) the actual policies and procedures and (ii) information about votes cast on behalf of such client. These policies and procedures: (i) address the Registrant’s overall policy to vote client proxies in the best interest of clients and in a manner that maximizes the value the client’s investments; (ii) identify the persons responsible for monitoring corporate actions, determining whether and how to vote proxies and submitting proxies and (iii) describe the Registrant’s approach to addressing material conflicts of interest that may arise in connection with the consideration of a proxy. In general, proxies will be voted in the best interests of its clients, where appropriate, in consultation with the services of an independent third party – Institutional Shareholder Services Inc. (ISS) which provides issue analysis and vote recommendations for proxy proposals and a client’s investment professional that is responsible for the relevant portfolio investment.

The investment professionals will vote proxies in a manner they believe to be consistent with the best interest of such clients. The investment professionals monitor potential conflicts and will take appropriate measures to mitigate any such conflicts. From time to time, conflicts can be expected to arise between the interests of a client, on the one hand, and the interests of the Registrant, its affiliates, on the other hand. If the Registrant determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, the Registrant will address matters involving such conflicts of interest on a case-by-case basis in a fair and equitable manner, seeking to take appropriate measures to mitigate any such conflicts subject to legal, regulatory, contractual or other applicable considerations. Records of proxy materials and votes are maintained in the Registrant’s offices. Investors in Funds managed by the Registrant can obtain a copy of the proxy voting policies and procedures or information on how the Registrant voted proxies for any Fund in which an investor has an investment by contacting the Registrant c/o Credit Suisse, Investor Relations, Eleven Madison Avenue, 9th Floor, New York, New York 10010, 877-435-5264.



## **ITEM 18: FINANCIAL INFORMATION**

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Not Applicable.