



East Lodge Capital Partners LLP

Firm Brochure

Form ADV Part 2A

03 October 2023

This brochure provides information about the qualifications and business practices of East Lodge Capital Partners LLP (the “Adviser”). If you have any questions about the contents of this *brochure*, please contact us at legal@eastlodgecapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any foreign or state securities authority.

Nothing in this brochure constitutes an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a confidential offering memorandum, related subscription materials or other governing legal documentation and on a private placement basis. In the United States, any securities, if so offered, are offered pursuant to Regulation D under the U.S. Securities Act of 1933. They are exempt from the definition of an investment company pursuant to Section 3(c)(7) of the U.S. Investment Company Act of 1940.

Registration with the SEC or with any foreign or state securities authority does not imply a certain level of skill or training.

Additional information about East Lodge Capital Partners LLP also is available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 2. Material Changes

Since the filing of the Adviser's initial Brochure, which was filed on June 28, 2023, the Adviser has made updates to the disclosure regarding its client referral arrangements in Section 14.B.

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Item 4. Advisory Business

A. General Description of the Adviser

The Adviser, East Lodge Capital Partners LLP, which primarily conducts business as East Lodge Capital (the “Adviser”), is a specialized alternative asset manager founded by Alistair Lumsden in 2013.

The Adviser is an investment adviser with its principal place of business in London, UK. It is a Limited Liability Partnership established under the laws of England and Wales (registered number: OC387472).

The Adviser was incorporated August 27 2013 and commenced operations on March 25 2014.

The Adviser is authorized and regulated by the UK Financial Conduct Authority (No. 607146) to conduct its activities as investment adviser and discretionary portfolio manager. The Adviser has claimed an exemption with the US Commodities and Futures Trading Commission (No. 0475584) as an exempt commodity pool operator and exempt commodity trading advisor. These registrations and exemptions do not imply a certain level of skill or training.

Alistair Lumsden and East Lodge Services (UK) Ltd are the principal owners of the Adviser.

B. Description of Advisory Services (including any specializations)

The Adviser provides advisory services and investment advice to private investment companies; on a discretionary basis to hedge funds (each a “Fund” and collectively the “Funds”); and on a discretionary or non-discretionary basis to separately managed accounts (each a “Managed Account” and collectively the “Managed Accounts”) including Managed Accounts engaging in co-investments. The Funds and the Managed Accounts are collectively referred to herein as “Clients”. Clients may also utilize other fund, corporate or special purpose vehicles on an “upstream” or “downstream” basis including for regulatory, structuring, and efficiency purposes. Investors in the Funds or their associated feeder funds (collectively, the “Underlying Investors”) include institutional investors, such as funds of funds, pension plans, and state, municipal and governmental entities.

The Adviser manages a number of primarily fixed income investment strategies that include investments in securities and other financial instruments, such as:

- Exchange traded securities, including without limitation:
 - Equities/equity indices
 - Corporate bonds/convertible bonds/bond indices
 - Mortgage and asset back securities, including
 - RMBS and CMBS
 - CLOs
 - Consumer Loans
 - Auto Loans
 - Commercial Real Estate
 - Whole Business Securitizations
 - Aircraft Leasing Securitizations
 - US Pay-Option ARMs
 - US Monoline Wrapped ABS
 - US Subprime MBS
 - US 2nd Lien MBS
 - US Private Student Loans
 - US Agency CRT

- US Alt A
 - Exchange traded funds ("ETFs")/exchange traded notes ("ETNs")
 - Options
 - Warrants
 - Rights
 - Futures
- Non-exchange traded securities, including without limitation:
 - Consumer/commercial asset-backed securities, including aircraft asset backed securities ("ABS")
 - Collateralized loan obligations ("CLOs") and collateralized debt obligations ("CDOs"), ABS CDOs
 - in the case of CLOs, either directly or through an instrument in a "warehouse" vehicle utilized to temporarily hold underlying instruments prior to securitization ("CLO Warehouse")
 - Commercial mortgage-backed securities ("CMBS")
 - Agency residential mortgage-backed securities ("RMBS"), including agency and non-agency
 - Second Lien non-agency RMBS
 - UK non-conforming RMBS
 - Residential mortgage loans
 - Non-mortgage consumer loans/receivables
 - Commercial real estate ("CRE") and CRE Loans
 - Corporate commercial loans
 - Whole Business Securitizations
 - Pay-option adjustable rate mortgages ("ARMs")
 - Monoline wrapped ABS
 - Securities backed by Private student loans
 - Sovereign bonds
 - Bank and investment company debt and Alternative Tier 1 instruments
 - Equities
- Any CDS or derivative instrument referencing the above instruments
- Investment Grade Corporate Credits
- High Yield & Financial Corporate Credits
- Leveraged Loans
- Real Estate Debt
- Direct Corporate Loans
- Interest rate swaps
- Itraxx Indexes, CMBX, ABX and CDX
- Currencies and instruments based on currencies such as fx swaps, forward fx and fx options
- Total return swaps
- Repurchase agreements and reverse repurchase agreements

Funds

The Adviser provides discretionary investment advisory services to the Funds pursuant to the terms of the Funds' management or advisory agreement, offering materials and associated documents ("Governing Documents").

Managed Accounts

The Adviser provides investment advice to separately Managed Accounts pursuant to the terms of the Managed Accounts' advisory management agreements ("Advisory Agreements"). The Managed Accounts may be managed on a fully discretionary basis ("Discretionary Managed Accounts") or a non-discretionary basis ("Non-Discretionary Managed Accounts").

C. Availability of Tailored Services for Individual Clients

Each Fund's Governing Documents describes that Fund's investment program. 'Seed' or 'Founder' underlying investors may have input into Fund structure, including in respect of their regulatory requirements. After Fund Launch, Underlying Investors in the Funds are not consulted in the design or implementation of such Fund's investment programs.

With respect to Managed Accounts, each Advisory Agreement and any related account documentation specifies the particular investment program and any related investment restrictions. Generally, each Managed Account is customized to reflect the particular Underlying Investor's preferences, and in the case of Non-Discretionary Managed Accounts, the Client is consulted in relation to implementation of the Managed Account's investment program.

D. Fee Wrap Programs

The Adviser does not participate in any wrap fee programs.

E. Client Assets Under Management

As of March 31, 2023, the Adviser had approximately \$638,703,946 of regulatory assets under management, all of which were managed on a discretionary basis¹.

Item 5. Fees and Compensation

A. Advisory Fees and Compensation

The Adviser charges advisory fees for both discretionary and non-discretionary investment management services. Advisory fees are generally set based on a percentage of assets under management and/or based on performance as described below and in Item 6.

The Adviser's fees in relation to Managed Accounts are negotiated and agreed based on the specifications of the Underlying Investor seeking to establish the relevant Managed Account. Fees differ among Clients based upon a number of factors, including without limitation, account complexity and size, the Client's aggregate assets under management and overall fee arrangements. The Adviser's fees charged to the Funds are not negotiable after Fund launch but may differ by class of investment. Fees charged to certain Funds may be waived, reduced or calculated differently with respect to certain Underlying Investors, at the discretion of the Adviser as permitted by the Fund's offering documentation and Governing Documents. Please see also Item 10 disclosure regarding side letters.

Management fees are reduced or waived entirely with respect to investments in the Funds by the Adviser, its affiliates and certain of their respective principals and staff or their family members and related vehicles.

Management Fee

The Funds pay the Adviser a management and/or incentive fee or an equivalent allocation. Fees earned with respect to a Fund may compensate the Adviser or its affiliates for the provision of certain ancillary services, the responsibility for all or a portion of which may be subcontracted to other parties. The

¹ In addition, as set out in the Adviser's Form ADV Part 1A, Schedule D – Miscellaneous - the Adviser provides non-discretionary, sub-advisory, investment advice to a Client account that, as of March 31, 2023, had approximately \$23,094,933 in assets. The Adviser does not have regulatory assets under management with respect to such Client account.

amount of fees to be paid by a Fund is set forth in the Governing Documents and offering materials for that Fund.

For Clients which are Managed Accounts, The Advisory Agreement and account documentation relating to each Managed Account specifies the fees payable to the Adviser.

The Adviser does not currently but may in future share a portion of Client management fees with certain sales or referral agents.

Management fees range from 0.5% to 2% generally of assets under management.

Performance-Based Compensation

Certain Client mandates, provide that the Adviser will be paid incentive or performance-based compensation, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a Fund. This compensation may be paid to the Adviser or to a related person of the Adviser and generally range from nil to 20%. Certain Managed Account mandates utilize performance-based compensation using 'American' or 'European' style waterfalls, where receipt of performance-based compensation may be subject to a hurdle rate linked to the investment strategy of the relevant Fund, with catch-up mechanics included based on commercial negotiation. Performance-based compensation in relation to the Funds are set forth in the relevant Fund's Governing Documents, and for Managed Accounts in the Advisory Agreement and associated documents.

B. Payment of Fees

The Adviser deducts the management fee from Clients on a monthly or quarterly basis by instructing the Client's custodian.

Clients pay management fees and incentive fees at such times and in such manner specified in their Governing Documents in the case of Funds or Advisory Agreement in the case of Managed Accounts. Such fees will be deducted from the relevant Client and ultimately are reflected in an Underlying Investor's net asset value per share or capital account, as applicable.

C. Other Fees and Expenses

In addition to paying investment management fees and, if applicable, performance-based compensation, Client accounts will also be subject to other fees and expenses, or incur other costs and charges in certain circumstances in accordance with the Client's Advisory Agreement or Governing Documents. Clients will also be responsible for the payment of any additional expenses agreed or authorized by that Client with the Adviser.

Client Expenses

Each of the Funds or Managed Accounts will generally bear all costs, expenses and liabilities necessary to carry on the business, purpose and activity for which it was formed. Please refer to a Fund's Governing Documents for more detailed information related to the type of expenses that will be charged or allocated to the Fund.

Client account assets may be invested in a master-feeder structure for certain Client, and predominantly Fund mandates. Feeder funds generally bear a pro rata share of the expenses associated with the related master fund as set out in their Governing Documents.

Client account assets may be invested in one or more pooled investment vehicles, including downstream special purpose entities. In these cases, Client accounts will bear their pro rata share of the underlying pooled investment vehicle's operating and other expenses including, in addition to those listed below: sales expenses, legal expenses; internal and external accounting, audit and tax preparation expenses; and organizational expenses. Client accounts will also bear their pro rata share of the investment management fee and other fees of the underlying pooled investment vehicle, which are in addition to any fees or other compensation paid to the Adviser.

Client expenses generally fall into two categories:

(1) establishment and organizational expenses; and

(2) ongoing operational expenses;

and in each case include, without limitation, expenses linked to professional services; administrative, governance, and compliance; investor services and reporting; investment services, diligence investment services, oversight, research and travel-related expenses, as further set out below, as well as value added or other taxes, if applicable, thereon.

The Adviser endeavors to allocate fees, costs, and expenses on a fair and equitable basis. In the event that a Client's Governing Documents do not permit the payment of a particular expense, the Adviser may opt to bear the amount allocable to such Client. In certain other cases, the Adviser may elect to bear expenses that a Client's Governing Documents permit the Client to bear. The differences in expenses borne by Clients, even with overlapping investment strategies, are subject to Governing Documents and other agreements that are typically not disclosed among all Clients.

The Adviser may, from time to time, incur fees, costs and expenses for the account or benefit of more than one Client. Under these circumstances, each such Client will typically bear an allocable portion of any such fees, costs, and expenses in proportion to the size of its investment in or commitment to the activity or entity to which such expense relates (subject to the terms of each Fund's Governing Documents or Managed Account Advisory Agreement) or in such other manner as the Adviser considers fair and equitable under the circumstances.

Client accounts will incur brokerage and other transaction costs. Please refer to Item 12 of this Firm Brochure for a discussion of the Adviser's brokerage practices.

Managed Account Advisory Agreements will typically provide for expenses in a similar manner to the schema for Fund Expenses set out below.

Establishment and Organizational Expenses

Each Fund bears its organizational and initial offering expenses.

These expenses are related to the organization of Funds and related entities and the costs of negotiating and entering into the Funds' Governing Documents and associated arrangements. Organizational Expenses are not directly related to operating or administering Fund or sourcing investments and may be amortised over a number of reporting periods. Funds, subject to its Governing Documents, will typically pay or otherwise bear (generally up to an agreed amount) all fees, costs, expenses, and other liabilities incurred in connection with the formation and organization of, or pre-marketing and sale of interests in, such Fund, its general partner or similar person and/or investment manager, including (but not limited to):

- the costs of the establishment and registration of Fund and related entities and any associated corporate filings, including without limitation state and local formation costs;
- all relevant regulatory or corporate filings including without limitation any "blue sky" or similar non-US filings, foreign registrations and distributions to be made by each such entity on or prior to establishment;
- professional services fees and expenses, including without limitation legal, accounting, audit, regulatory and compliance;
- independent tax advisers' fees and expenses;
- the costs of drafting the legal, offering and formation documents of Funds and related entities;
- the costs of capital raising, placement agents, brokers, consultants and intermediaries (generally excluding placement or finders' fees or commissions);
- other out-of-pocket expenses including without limitation any printing or electronic database costs;
- fees, costs and expenses of other related legal and organizational matters
- Travel-Related Expenses (as defined below)

Ongoing Operational Expenses

As described in more detail in each Fund's respective offering or account documentation, in addition to the fees payable to the Adviser, a Fund may pay or otherwise bear all or a portion of the fees, costs, expenses, and other liabilities arising in connection with its ongoing operational expenses associated with the operation and management of the Fund and any related entities, including without limitation in relation to any general partner entities, parallel funds, subsidiaries, alternative investment vehicles and other special purpose vehicles. Examples of ongoing operational expenses that a Fund may pay or otherwise directly or indirectly bear, divided into the following subcategories: professional services; administrative, governance, and compliance; investor services and reporting; and diligence and investment services, include (but are not limited to):

Professional Services

- professional services fees and expenses, including legal, accounting, regulatory and compliance;
- administrative expenses (including fees and expenses of the Adviser, its affiliates, and the administrator or similar service providers);
- audit and tax preparation expenses;
- expenses incurred in connection with the preparation of offering materials and other materials relating to the sale of interests in the Fund, as well as preparation and negotiation of agreements relating such Fund and any related entities;
- the cost of updating the legal, offering and formation documents of each such entity;
- translation expenses
- Travel-Related Expenses (as defined below)

Administrative, Governance, and Compliance

- the costs of any ERISA fidelity bond;
- fees and expenses of the directors, managing members, process agents or tax representatives of any Fund or related entities;
- any sales or other taxes, fees, duties or other government charges or expenses that may be assessed against a Fund, related entity or the Adviser or its affiliates in connection with the activities of such Fund, including annual filing, franchise tax, registration and maintenance fees;
- corporate licensing fees and expenses;
- regulatory expenses (including without limitation filing and statutory fees);
- Central Bank fees;
- Fees, costs and expenses related to the Fund's and any related entities' regulatory compliance, including without limitation preparing and making regulatory and compliance filings associated with any relevant related Fund and its investment activities and any relevant related entity (including, without limitation, Form PF, Form CPO-PQR and AIFMD Annex IV reports (as applicable) and filing preparation and fees and expenses of service providers such as consultants and advisers in relation thereto);
- stock exchange, listing and listing agent fees;
- secretarial fees;
- fees, costs and expenses of the board of directors or advisory committee of any relevant entity (including expenses incurred by members of the advisory board or committee in connection with attendance at annual and special meetings of the advisory board or committee);
- the fees for the maintenance of the Fund's and any related entities' books, records and accounts, including license fees and costs associated with any software used to maintain the books, records and accounts for any of the foregoing;
- costs of computer software specific to the affairs of a Fund;
- market data costs, connectivity and research-related expenses, including, without limitation, news and quotation equipment, software, and services (including for example Bloomberg market data, Intex, any connectivity hardware incorporated into the costs of obtaining such research and market data);
- fees, costs and expenses relating to software tools, programs or other technology utilized in managing Funds (including, without limitation, third party software licensing, implementation, data management and recovery services and custom development cost);

- capital payments, interest, fees, agent bank and other bank service fees and other expenses in respect of indebtedness for borrowed money and all costs and expenses associated with negotiating, structuring, entering into, maintaining and terminating any credit facility or other indebtedness for borrowing by a Fund;
- fees, costs and expenses attributable to administrative, investment banking, commercial banking, accounting, auditing, appraisal, tax advisory, tax preparation, legal, external consulting, operating advisors, compliance, independent director, custodial, depositary and registration services provided to a Fund;
- fees, costs and expenses related to or in connection with any governmental or other inquiry, investigation, audit, proceeding or regulatory matter, litigation and threatened litigation involving a Fund (including the amount of any judgments, settlements or fines paid in connection therewith);
- fees, costs and expenses relating to U.S. and non-U.S. filings and distributions, foreign registrations, foreign securities distributors, paying agents and other similar fees, costs and expenses; compliance with any applicable law, rule or directive, associated with the activities of the Fund or the Adviser in respect of the Fund including the European Union Alternative Investment Fund Manager Directive (“AIFMD”) or any other regulatory requirement in any other jurisdiction (including regulatory filings, “blue sky” filings and related out-of-pocket or other expenses of such Fund, its general partner or similar person and/or investment adviser, including, but not limited to, FATCA and any compliance or filings related to such law, regulation or directive);
- premiums and any brokerage fees related to risk management services and insurance (including insurance to protect the Fund, the general partner, the manager, the Adviser, its affiliates and respective officers, directors, employees, partners managers and members in connection with the activities of the Fund);
- fees, costs and expenses related to amendments to, and waivers, consents and approvals pursuant to, the Governing Documents;
- preparation, delivery and implementation of side letters and any related “most favored nations” election processes;
- fees, costs and expenses related to the presence of the Fund, the general partner, the manager, the Adviser or its affiliates in jurisdictions in which the Fund maintains subsidiary acquisition vehicles, holding vehicles or other special purpose entities of the Fund, including internal and overhead costs of the manager or its affiliates such as accommodation, rental expense, office equipment, domiciliation fees, directors’ fees, the costs, including salaries, of personnel (including the Adviser’s or its affiliates’ staff) and other similar costs;
- fees, costs and expenses related to the dissolving and liquidating a Fund’s investment vehicles;
- extraordinary expenses and other similar expenses (including without limitation any other litigation costs and damages and indemnification expenses);
- legal fees, costs and expenses in connection with any of the foregoing;
- Travel-Related Expenses (as defined below)

Investor Services and Reporting

- fees, costs and expenses related to preparation, translation, printing and distributing reports and notices, all marketing materials and advertisements and periodic updates to such materials;
- charges payable in respect of foreign exchange transactions;
- brokerage and banking commissions and charges;
- the costs of placement agents, brokers, consultants and intermediaries (generally excluding placement or finders’ fees or commissions);
- any margin and premiums payable by the Fund;
- other costs and expenses associated with the purchase, sale or transfer of assets including any and all costs associated with arranging, negotiating and securing terms in relation to Fund’s investment in any other Fund in the fund structure and that or any such other Fund’s investment in any underlying collective investment scheme;
- ongoing expenses relating to the offering and sale of interests in such Funds (e.g. market data and research)
- all expenses in connection with registration, distribution of interests issued or to be issued;

- expenses of holding meetings or conferences with Funds, their boards of directors (or similar bodies) and Underlying Investors, whether individually or as a group reporting to a Fund's Underlying Investors;
- fees, costs and expenses related to the publication and distribution of the net asset value;
- fees, costs and expenses in connection with preparing financial statements and reports to Underlying Investors, tax returns, tax estimates, tax reporting or any other administrative, compliance or regulatory filings or reports or the provision of other information to Underlying Investors or other parties;
- the costs of preparation and distribution of Underlying Investor reports and other communications;
- clerical costs of issue or redemption or withdrawal of any interests;
- general postage, telephone and facsimile expenses;
- Travel-Related Expenses (as defined below)

Investment Services

- investment expenses (e.g., expenses that, in the Adviser's discretion, are related to the investment of a related Fund's assets, whether or not such investments are consummated), including without limitation brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial and depositary fees, bank service fees, interest expenses and similar charges;
- other expenses associated with the purchase and administration of assets;
- professional fees (including expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments;
- external accounting and valuation expenses (including the cost of accounting software packages and any expert valuation costs and fees);
- fees, costs, expenses and other liabilities and obligations incurred in identifying, sourcing, originating, evaluating, conducting due diligence, investigating, developing (including any retainers, success and finder's fees and other compensation paid to contractors, senior advisors, joint venture partners and sourcing and operating partners), negotiating, structuring, studying (including any market studies and/or the use of expert networks), financing, purchasing, settling, obtaining ratings, monitoring, advising or managing, valuing, disclosing (including press releases and other marketing), holding, and selling or otherwise disposing of portfolio investments;
- portfolio and risk management costs and expenses;
- interest expense, arrangement fees, exit fees, waiver fees, default interest, forfeited margin or collateral;
- premiums and any brokerage fees related to risk management services and insurance specific to a particular investment;
- all expenses in connection with obtaining and maintaining a credit rating for any Fund or the portfolio assets thereof (including where held by a portfolio company);
- any taxes, duties, levies or other governmental expenses;
- legal, tax, consulting and accounting expenses;
- costs and expenses of attending industry and trade association meetings, conferences or similar meetings to source and evaluate investment opportunities;
- costs and expenses of research (more detail below) and technology (including costs of specialty data subscription and license-based services and risk analysis software); and
- "broken deal expenses" including any such fees, costs, expenses and other liabilities incurred with respect to unconsummated investments which may include such expenses that would have been allocated to co-investors had such proposed investment been consummated.
- Travel-Related Expenses (as defined below)

Sourcing and Diligence Expenses

These expenses relate more generally to investment sourcing and diligence for a particular investment strategy and include fees, costs and expenses of identifying, investigating (including the conducting of due diligence with respect to), evaluating, structuring and negotiating potential investments for such

strategy. Examples of sourcing and diligence expenses that a Fund may pay or otherwise bear include (but are not limited to):

- commissions, brokerage fees, and similar charges incurred in connection with the purchase or sale of securities (including any merger fees payable to third parties and whether or not any such purchase or sale is consummated);
- fees, costs, expenses and other liabilities and obligations incurred in identifying, sourcing, originating, evaluating, conducting due diligence, investigating, developing (including any retainers, success and finder's fees and other compensation paid to contractors, senior advisors, joint venture partners and sourcing and operating partners), negotiating, structuring, studying (including any market studies and/or the use of expert networks), financing, purchasing, settling, obtaining ratings, monitoring, advising or managing, valuing, disclosing (including press releases and other marketing), holding, and selling or otherwise disposing of portfolio investments;
- legal, tax, consulting and accounting expenses;
- costs and expenses of attending industry and trade association meetings, conferences or similar meetings to source and evaluate investment opportunities;
- costs and expenses of research (more detail below) and technology (including costs of specialty data subscription and license-based services and risk analysis software);
- "broken deal expenses" including any such fees, costs, expenses and other liabilities incurred with respect to unconsummated investments which may include such expenses that would have been allocated to co-investors had such proposed investment been consummated.
- Travel-Related Expenses (as defined below)

Oversight Expenses

These expenses are incurred in connection with the oversight of any portfolio companies. Examples of expenses that fall within this category include (but are not limited to):

- directors' fees;
- expenses of consultants (including expert networks);
- brokerage commissions, clearing and settlement charges, investment banking fees and expenses, bank charges, placement, syndication and solicitation fees, arranger fees, sales commissions, bridge financing expenses and other investment, marketing, execution, closing and administrative fees, costs and expenses of portfolio companies;
- fees, costs and expenses (including administrative and filing fees) of maintaining the holding structure for portfolio investments, including any related legal, accounting, tax, banking, filing, registered office and administrative fees costs and expenses;
- portfolio and risk management expenses (including hedging transactions and related costs); and
- expenses of any actual or potential litigation or other dispute or investigation or inquiry related to any portfolio company.
- Travel-Related Expenses (as defined below)

Generally, the Adviser and its affiliates will select a Fund's service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms) and will determine the compensation of such providers without review by, or consent of, the Underlying Investors. To the extent allowable under the Governing Documents, Funds will bear the fees, costs and expenses related to such services, regardless of the relationship the service provider may have to the Adviser or its affiliates. The Adviser uses reasonable diligence to periodically ascertain whether each service provider is adequately fulfilling its obligations and meeting performance requirements, taking into account factors such as expertise, availability and quality of service, familiarity with the Fund and the Adviser, and the competitiveness of compensation rates in comparison with other providers who meet the selection criteria. In addition, service providers and/or their affiliates may simultaneously be engaged in separate and distinct arrangements with the Adviser, its related parties, its Funds, and even Fund portfolio companies. As such, it is possible that the service provider will charge different rates which may result in more favorable rates or arrangements for the Adviser or its

affiliates than its Fund or Fund portfolio companies. This may create an incentive for the Adviser or its affiliates to select service providers based on potential benefit to the Adviser or its affiliates rather than its Fund.

See discussion below in “Item 12. Brokerage Practices” for a description of the factors we consider in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

Research Expenses

Since 3 January 2018, the provision of investment research has been considered an inducement in the United Kingdom due to the introduction of Directive on markets in financial instruments commonly referred to as “MiFID II”. Subsequently, the Adviser is permitted to receive investment research if certain conditions are met, that is, research can only be received if it is explicitly paid for in one (or a combination) of the following defined ways:

1. Direct payments by the Adviser from its own resources; or
2. Direct payments from a Research Payment Account (“RPA”), controlled by the Adviser and funded by the Fund.

It is the Adviser’s current policy to make direct payments for research from its own resources, however the Adviser is entitled to and may in its sole discretion opt in future to utilise direct payments from an RPA. In such circumstances, the Adviser would pay for all eligible research either through a combination of payments from its own resources and through an RPA arrangement funded by direct charges to the Fund or through RPA arrangements alone. In order for an RPA to be used, a research budget would be set in advance. This is based on a reasonable assessment of the investment needs of the portfolios in question, and is not be linked to the volume or value of transactions executed or to historical levels of dealing commissions. The research budget is based on the assets under management of the strategies concerned, but is adjusted to take into account the nature of the strategies being employed and the extent to which these can benefit from research available in the market.

The allocation of expenses by the Adviser between it and any Fund and among Funds represents a conflict of interest for the Adviser. To address this conflict, the Adviser has adopted and implemented policies and procedures for the allocation of expenses. The Adviser allocates expenses to each Fund in accordance with the Fund’s arrangements with the Adviser (including applicable Fund disclosures). The Adviser seeks to allocate shared expenses for products and services benefitting the Adviser and the Fund and not covered in the Fund’s arrangements in a fair and reasonable manner. The Adviser allocates common Fund expenses among multiple Funds pro rata based on gross assets under management as of the beginning of each period in which the expenses are paid. The Adviser may deviate from this standard allocation method if it determines that an expense disproportionately benefits a particular Fund or group of Funds (for instance without limitation, where the Adviser is administering work-out arrangements for a particular investment, expenses relating to such work-out are paid by Funds pro rata based on their exposure to the particular security or investment).

Travel-Related Expenses

Travel-related expenses are incurred in accordance with the Adviser’s travel expenses policy and may be paid by the Adviser directly or charged or re-charged to a Client. They may include without limitation: accommodation charges and related tips; air travel expenses (including without limitation air fares, cancelled fare costs, and where there is insufficient commercial service coverage, any fractional usage costs), train fare, bus fare, taxicabs, and related tips; meals and related tips; business telephone calls; charges for internet connectivity for business purposes; car rental expenses or car services; personal mileage, if using a vehicle belonging to staff of the Adviser or its affiliates; toll and parking costs; business centre costs (e.g. copying, faxing, etc.); reasonable business entertainment expenses; and laundry and/or dry-cleaning expenses (collectively, “Travel-Related Expenses”).

D. Prepayment of Fees.

Not applicable as the Adviser does not at this time require the prepayment of any management fees. All fees currently payable to the Adviser with respect to Funds are payable in arrears and fees for Managed Accounts are payable in arrears as specified in the Managed Account's Advisory Agreement.

E. Additional Compensation and Conflicts of Interest.

This item is not applicable to the Adviser.

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

The Adviser and its investment personnel provide investment management services to multiple portfolios for multiple Clients. The Adviser (or an affiliate of the Adviser) is entitled to be paid performance-based compensation by certain Clients. Such performance-based compensation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. In addition, the Adviser's investment personnel are typically compensated on a basis that includes a performance-based component. The Adviser and its investment personnel, including investment personnel that share in performance-based compensation, manage both Client accounts that are charged performance-based compensation and accounts that are charged an asset-based fee, which is a non-performance-based fee. In addition, certain Client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts or have asset-based fees or performance-based compensation arrangements providing for payment to the Adviser at different times or over different time intervals. When the Adviser and its investment personnel manage more than one Client account a potential exists for one Client account to be favored over another Client account. The Adviser and its investment personnel have a greater incentive to favor Client accounts that pay the Adviser (and indirectly its investment personnel) higher fees, performance-based compensation, or compensation that is paid at different times or over different time intervals.

Certain Client accounts managed by the Adviser hold illiquid investments for which the Adviser receives performance-based compensation only upon their sale or deemed realization. To the extent the Adviser is entitled to performance-based compensation from its Clients upon the sale or deemed realization of illiquid investments, the Adviser may have an incentive to delay the realization of an illiquid investment.

The Adviser employs a wide range of investment objectives and strategies for its Clients. These differing objectives and strategies raise potential conflicts of interest. For example, the Adviser may buy a security for one Client account while it is selling that security for another Client account. In addition, the Adviser may cause one Client account to buy a particular security "long" and another Client account to sell that same security short. In specific instances, the Adviser's strategies may result in buying and selling different securities and instruments within an issuer's capital structure for different Clients. Accordingly, it is possible that one Client may acquire an instrument that is senior in the capital structure of an issuer relative to an instrument for a different Client that is more junior in the capital structure (including common stock). In certain circumstances, such as if the credit quality of the issuer deteriorates, the Adviser may owe conflicting fiduciary duties to multiple Clients, in that action taken to protect the interest of one set of holders may be detrimental to, or conflict with the interests of, other holders of that issuer's securities or instruments. When the Adviser causes its Clients to take opposite positions with respect to a particular security or investment, or to invest in securities of an issuer with varying seniority in the issuer's capital structure, actions taken by the Adviser for one set of Clients may disadvantage other sets of Clients.

The Adviser manages multiple Client accounts, including accounts with different fee arrangements. The management of multiple Client accounts creates a conflict of interest because the Adviser may have an incentive to favor one Client account over another. Accordingly, the Adviser has adopted and implemented policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple Client accounts. In particular, the Adviser reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also regularly compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that eligible Client accounts with the same or substantially similar investment mandates and strategies participate in investment opportunities pro rata based on the relative value of the assets of each participating account to all participating accounts; provided, however that the Adviser may allocate investment opportunities to such accounts on a non-pro rata basis due to a consideration of factors including but not limited to those set out at Item 11D. To the extent orders are aggregated, the Client orders are price-averaged and allocated in accordance with the aggregated order; provided, that the aggregated order may be allocated on a different basis for reasons including but not limited to partially filled orders and to avoid odd lots or excessively small allocations. Finally, the Adviser's procedures also require the objective allocation for limited

opportunities (such as initial public offerings and private placements) to ensure fair allocation among accounts. These areas are monitored by the Adviser's Chief Compliance Officer.

In addition, the Adviser, may from time to time, enters into strategic agreements directly or indirectly with Underlying Investors that commit significant capital into a particular Client, including in relation to 'seed capital'. Such arrangements may include the Adviser granting certain preferential terms to these Underlying Investors, including a waiver or reduction of management fees or performance fees or carried interest, a blended management fee, and/or performance fee or carried interest rates that are lower than those applicable to Clients in which such Underlying Investors invest. To the extent any such accounts invest in a Client, such indirect preferential terms (or other preferential terms set forth in the Governing Documents) are generally not subject to the Client's "most favored nation" provisions.

Co-Investment Policy

Co-investments can occur when an investment is shared between a Client and one or more third-party investors, including Underlying Investors, senior investment professionals and other affiliates or employees of the Adviser (such persons invited to participate in a transaction by the Adviser collectively referred to as "Co-Investors").

The Adviser has adopted a co-investment policy (as further described below) designed to ensure fair allocation of co-investment opportunities in the event such opportunities become available. The Adviser may in limited circumstances enter into certain agreements pursuant to which the Adviser has agreed to offer available co-investment opportunities to specific Co-Investors; however, the Adviser is under no obligation to provide co-investment opportunities and may offer an investment opportunity to one or more of the categories of Co-Investors without offering such opportunity to the other categories. the Adviser may establish special purpose co-investment vehicles for certain Co-Investors in advance of any co-investments being identified for such Co-Investors and the Adviser may have discretion to allocate Co-Investments to such vehicles. Strategic, financial and other institutional investors participating in a transaction generally are not considered Co-Investors and generally will not be subject to the co-investment policy or expense sharing considerations described herein.

Subject to the terms of the Client's Governing Documents, the Adviser may offer co-investment opportunities to more than one Client or to other Co-Investors. In such circumstances, the size of the investment opportunity otherwise available to our Clients may be less than it would otherwise have been. Certain Co-Investors investing with a Client may invest on different (and more favorable) terms than those applicable to the Client and may have interests or requirements that conflict with and adversely impact the Client (for example, with respect to their liquidity requirements, available capital, the timing of acquisitions and disposals, or control rights). the Adviser will generally seek to ensure that the Client, the Adviser, and any Co-Investors participate in any investment and any related transactions on comparable terms to the extent practicable and share in corresponding investment related expenses. Notwithstanding the foregoing, in certain instances different Clients may participate in different parts of the capital structure of a portfolio investment, through securities purchased at different times, and such scenarios are not considered "co-investments" by the Adviser and are not subject to the policies described herein. In addition, in some cases, Clients and Co-Investors may manage the same investments in different ways, such as through the use of leverage or hedging strategies.

The Adviser allocates co-investment opportunities in its sole discretion and considers a range of factors, including (but not limited to):

- whether the potential co-investor has expressed an interest in participating in co-investment opportunities;
- the size of the potential co-investor's capital commitment to one or more Investment Vehicles and the anticipated importance or overall strategic benefit of the potential co-investor to the underlying transaction, relevant Investment Vehicle, and/or the Adviser's relationships;
- certainty of execution, such as the sophistication and experience of the potential co-investor and its ability to promptly respond to and complete a co-investment opportunity in an efficient and timely manner;

- certainty of funding, such as whether the potential co-investor has the financial resources to provide the requisite capital in a timely manner;
- the expertise of the potential co-investor and its ability to make a meaningful contribution to the underlying transaction, such as in sourcing or completing the transaction or providing operational skill or insight;
- the preferences of the target company;
- the expertise of the potential co-investor with respect to the geographic location or business activities or industry of the prospective target company;
- the investment objectives and existing portfolio of the potential co-investor;
- the legal or regulatory constraints to which the proposed investment is expected to give rise, and other potential legal, regulatory, tax, reporting, public relations, competition, confidentiality, financial and other factor and the Adviser's perception of whether the investment opportunity may subject the potential co-investor to legal, regulatory or other burdens that make it less likely that the potential co-investor would accept the investment opportunity;
- the ability of the potential co-investor to expeditiously participate in the investment opportunity without harming or otherwise prejudicing the other Clients participating;
- whether the Adviser believes that allocating the investment opportunity to a potential co-investor will help establish, recognize or strengthen relationships that may provide indirectly longer-term benefits to current or future Clients or to the Adviser;
- any confidentiality concerns the Adviser has that may arise in connection with providing the potential co-investor with specific information regarding an investment opportunity in order to allow it to evaluate the opportunity;
- a willingness of a potential Co-Investor to pay management fees and/or carried interest and to bear its portion of expenses related to the co-investment opportunity.
- any other facts or circumstances that the Adviser deems appropriate or relevant.

The above factors are not listed in order of importance or priority. The Adviser is not required to consider all of the factors described above and some factors may be more or less important depending upon the nature of the particular investment and related circumstances. Co-investment opportunities may not be available to all of the Adviser's Clients or Underlying Investors.

Terms of Co-Investments

The Adviser or any of its affiliates may in their discretion: (i) receive performance-based fees, advisory fees, administrative fees or other similar fees from Co-Investors, and the Adviser or its affiliates may make an investment, or otherwise participate, in any vehicle formed to structure a co-investment to facilitate, among other things, receipt of such performance-based fees, advisory fees or other similar fees; and (ii) collect customary fees in connection with actual or contemplated portfolio investments that are the subject of such co-investment arrangements.

With respect to consummated co-investments, the Adviser will seek to cause Co-Investors to generally bear their pro rata share of fees, costs and expenses related to the discovery, investigation, due diligence, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments; provided, however, that in determining such amounts, the fees, costs and expenses expended directly by such Co-Investors may be taken into account in allocating aggregate costs on a fair and reasonable basis. With respect to a proposed co-investment that is not consummated, the Adviser may seek to cause Co-Investors that commit to participate in such proposed co-investment to bear their share of any fees, costs or expenses that were incurred in connection with

such proposed co-investment, including breakup fees or broken deal expenses. However, in instances where Co-Investors have not yet committed to a proposed co-investment, any such fees, costs or expenses will generally be considered Operating Expenses and be borne by the (committed or investing) Client to the extent the applicable Governing Documents of such Client permit such treatment or where disclosure of such treatment was made to its Underlying Investors prior to their investment therein.

In the event that Co-Investors participate in a co-investment through one or more co-investment vehicles, they will generally bear their pro rata share of the aggregate Organizational Expenses (as described in “Item 5. Fees and Compensation” above) of all such vehicles. In those circumstances where such Co-Investors include one or more members of a portfolio company’s management group, such Co-Investors may receive compensation arrangements relating to the investment, including incentive compensation arrangements. Finally, some of the Co-Investors with whom Clients may co-invest have pre-existing investments with the Adviser, and the terms of such pre-existing investments may differ from the terms upon which such persons may invest with Clients.

Over-Commitment. To facilitate the acquisition of an portfolio investment, the Adviser may cause one or more Clients to make (or commit to make), an investment in such target that exceeds the Client’s ultimate desired long-term investment amount with a view to selling a portion of such investment to Co-Investors or other persons prior to or within a period after the initial commitment or closing of the acquisition. The sale to Co-Investors will occur either at a previously agreed-upon price or, in the absence of a previously agreed-upon price, at the market value of the investment at the time of sale, and such market value may be fair value as determined by Ares. In such event, the applicable Client(s) will bear the risk that any or all of the excess portion of such investment may not be allocated or sold or may only be allocated or sold on unattractive terms. As a consequence, the applicable Clients may bear the entire portion of any fees, costs and expenses related to such investment and hold a larger than expected investment in such portfolio company or may realize lower than expected returns from such portion of such investment.

In addition, the Adviser and its principals may co-invest with certain Clients, as permitted and described in applicable Governing Documents. Please see “Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” for a discussion of how the Adviser addresses these matters.

Item 7. Types of *Clients*

The Adviser's Clients consist of Funds and Discretionary Managed Accounts and Non-Discretionary Managed Accounts for institutional investors, including accredited investors and qualified purchasers.

With respect to any Client that is a Fund, any initial and additional subscription minimums are disclosed in the Governing Documents of the Fund.

Underlying Investors and other recipients of this Brochure should be aware that while this Brochure includes information about the Funds, as necessary or appropriate, this Brochure should be not considered to represent a complete discussion of the features, risks or conflicts associated with any particular Fund. More complete information about each of the Adviser's Funds is included in that Fund's Governing Documents as described in the offering documentation, which will be provided to current and eligible prospective Underlying Investors only by the Adviser or another authorised party.

In no event should this Brochure be considered to be an offer of interests in any of the Adviser's Clients or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient. Rather, this Brochure is designed solely to provide information about the Adviser, which could differ from the information provided in offering documentation and or Governing Documents or Advisory Agreement. To the extent that there is any conflict between discussions herein and similar or related discussions in any offering documentation, the offering documentation and or Governing Documents or Advisory Agreement shall govern.

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

As set out above in Item 4B, the Adviser provides advisory services and investment advice to Clients.

The investment programs of the Clients generally provide for unconstrained discretionary investment by the Adviser. As such, the Adviser generally may apply capital in line with a number of the strategies detailed below.

The Adviser allocates Client capital to different sectors of the structured finance market as part of the asset allocation process, after giving consideration to the risk return profile, diversification, and target returns of the portfolio. The aim is to achieve an acceptable return profile whilst diversifying risk between a number of sectors with expected lower correlation and using extensive analytics to minimise risk through the selection of assets offering the best relative value in terms of quality of underwriting, collateral and structural support.

A Client which is managed using the hedged strategy seeks to achieve attractive risk-adjusted returns whilst limiting volatility by investing in global structured and corporate credit opportunities as well as investing in commercial real estate loans and other direct lending opportunities whilst also overlaying a hedging strategy. On the long side, the Adviser seeks to identify strong underlying credits or strong structural support around a particular credit profile. On the short side, the Adviser seeks to identify similar, but mis-valued credit exposure due to poor underwriting standards, high leverage or both. During periods where the Adviser expects greater volatility or significantly deteriorating markets, the short side of a Client's portfolio may exceed long side investments with respect to the dollar amount of notional principal referenced under any CDS contracts, and in periods of extreme distress the cost of short positions may exceed the positive carry generated in the overall portfolio.

A Client managed using the long-only strategy seeks to generate attractive risk-adjusted returns, whilst limiting volatility, by investing in structured credit opportunities, and without taking short positions. It has a target allocation to investment grade and/or senior credit exposures.

MATERIAL RISKS

The following summary identifies the material risks related to the Adviser's significant investment strategies based on its current activities for Clients and should be carefully evaluated before making an investment with the Adviser; however, the following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks. Underlying Investors and potential investors in Funds should refer to the offering memorandum for the Fund for a further discussion of the applicable risks.

Investing in securities and other financial instruments involves a risk of loss that Clients should be prepared to bear. Those risks will vary based on the nature and attributes of the relevant investment approach and the specific securities and other instruments held. For additional information on the risks associated with a particular investment approach, as well as the types of investments it may hold, please contact compliance@eastlodgecapital.com.

GENERAL RISKS

Risk of Loss

Any investment in the strategies involves a high degree of risk, including the risk that the entire amount invested may be lost. Underlying Investors should be able to withstand the loss of their entire investment. No guarantee or representation is made that any investment strategy will be successful, or that any strategy's returns will exhibit any particular correlation with any Underlying Investor's other portfolios. Investment in the strategies is suitable only for sophisticated investors who are in a position

to understand and tolerate such risk. Any investment in the strategies should be viewed by an Underlying Investor as a long-term investment.

Certain of the risks described below may never materialise. The Adviser does not actively manage for each risk described below but rather focuses the risk management of the strategies on those risks it deems most relevant to the strategy at any given time. In addition, over time the risks may evolve or change, with new risks appearing and some risks ceasing to be applicable. The probability of a certain risk having an effect on the particular strategy may also vary over time.

Any investment in a strategy is highly speculative and involves a high degree of risk due to the nature of the investment strategies, products and trading strategies employed. The strategies are not intended to be a complete investment program and any investment in a particular strategy should not in itself be considered a balanced investment program. Investment in a strategy is suitable only for persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment. If prospective Underlying Investors are in any doubt as to the consequences of their acquiring, holding or disposing of any investment product in a strategy, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

The investment program of any strategy will involve, without limitation, risks associated with possible limited diversification, leverage, volatility, tracking risks in hedged positions, security borrowing risks in short sales, credit deterioration or default risks, systems risks and other risks inherent in the nature of the strategy.

Certain investment techniques of the strategy can, in certain circumstances, magnify the impact of adverse market moves to which an investment in the strategy may be subject. Any strategy may utilise without limitation investment techniques such as option transactions, short sales, derivatives trading and futures and forward contracts, which practices can involve substantial volatility and can, in certain circumstances, substantially increase any potential adverse impact to which an investment in a strategy may be subject.

Exposure to Macro-Economic Risk

A strategy's investment in financial instruments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where a strategy may be invested. The success of a strategy is affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of a strategy's investments. Volatility or liquidity could impair a Client's profitability or result in losses.

The success of a strategy will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of investments made pursuant to a strategy), trade barriers, currency exchange controls, recessions and national and international political circumstances and global events (including wars, terrorist acts, security operations, the spread of infection illness or other public health issues, including pandemics). These factors may affect the level and volatility of investments' prices and the liquidity of a strategy's investments. Volatility or illiquidity could impair a strategy's profitability or result in losses. A strategy may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

The economies of countries in which a strategy may invest may differ in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist

measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which a Client running a strategy may interact, are all subject to systemic risk. A systemic failure could have material adverse consequences on the success of a strategy, and Client or on the markets for the financial instruments upon which the investments or hedging of a strategy depend.

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on Clients' investments and the Adviser's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for Client portfolio companies. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Adviser and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide. The COVID-19 pandemic caused by a novel coronavirus, continues to significantly challenge the business and economic environment globally.

Opportunities involving the assumption by a Client running a strategy of various risks relating to particular assets, markets or events may be considered from time to time. Such a vehicle's portfolio is subject to the risk of loss arising from exposure that it may incur, directly or indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes and other natural disasters, terrorism, public health crises (such as pandemics and epidemics), and other catastrophic events, and events that could adversely affect the health or life expectancy of people. These risks of loss can be substantial, could greatly exceed all income or other gains, if any, received by a Client in assuming these risks and, depending on the size of the loss, could adversely affect a strategy's return.

Given the nature of the Economic and Monetary Union ("EMU"), it is possible that a member of the EMU may exit the EMU and return to a national currency. It is also possible that the Euro ceases to exist and all of the members of the EMU return to their national currency. The effect of such events on a strategy is impossible to predict with certainty but could result in material losses.

The United Kingdom has left the European Union, subject to a transitional period during which European Union law will generally continue to apply in the United Kingdom. The future economic and political relationship between the United Kingdom and the European Union (and between the United Kingdom and other countries) is uncertain, and a period of economic and political uncertainty is continuing in the United Kingdom, in the European Union and globally. Following the expiry of the transitional period, the United Kingdom may make regulatory changes, which may be adverse to the Adviser. The ultimate nature and extent of the impact of these events on the strategies and the Adviser are uncertain, but may be significant.

Other member states of the European Union may also reconsider their European Union membership. This could result in one or more other countries leaving the European Union, or in major reforms or other changes being made to the European Union or to the Eurozone. The nature and extent of the impact of any such changes on the strategies and the Adviser are uncertain, but may be significant.

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

impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the strategies.

The Adviser may invest in sovereign debt issued by governments, their agencies and instrumentalities either in the currency of their domicile or in a foreign currency. Investors in sovereign debt may be asked to participate in debt restructuring, including the deferral of interest and principal payments, and may also be requested by the issuer to extend additional loans. It is impossible to predict whether the strategies will be able to successfully avoid losses relating to sovereign default. There is no current means of collecting on defaulted sovereign debt as part of bankruptcy or other proceedings. In addition to general default risk relating to sovereign debt, if the Adviser invests in sovereign debt denominated in a currency other than the subscription currency (or in respect of which payments of principal or interest are paid in a currency other than the subscription currency) the Adviser will be exposed to the risk that one or more jurisdictions may impose currency controls that would limit the Adviser's ability to convert such payments of principal or interest to the subscription currency. It is impossible to predict whether any such currency controls will be imposed.

Investor sentiment in relation to certain jurisdictions globally has been volatile, for instance, within Europe, at times jurisdictions such as Portugal, Italy, Greece, Spain and Ireland have seen the cost of insuring against default on sovereign debt rise significantly based on concerns that government funding costs are becoming unsustainable. Additional economic disruptions in these or other jurisdictions globally which suffer a loss of investor confidence could lead to increased volatility in equity and other markets and a sovereign default could lead to substantial losses in value in these markets, potentially compounded by currency and foreign exchange conversion restrictions. Such events may also cause financial contagion within the relevant region or beyond. In the event that such disruption leads to the exit of one or more countries participating in the European Monetary Union from the Euro there may be additional difficulties in analysing, valuing and/or realising holdings in such jurisdiction as a result of the change in reference currency. Such events could lead to a material, if not complete, loss of a strategy's investments' value in that jurisdiction.

Adviser Performance Risk

Certain strategies may have limited operating history on which prospective Underlying Investors can evaluate anticipated performance. Where performance history is available, the past performance of the Adviser or its affiliates may not be indicative of the future performance of a strategy. The Adviser may not be successful in executing an investment strategy.

The success of a strategy will depend on the Adviser's ability to identify investment opportunities as well as to assess the importance of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by a strategy involves a high degree of uncertainty. No assurance can be given that the Adviser will be able to locate suitable investment opportunities in which to deploy all of the available assets deployed within a strategy or to exploit discrepancies in the securities, derivatives or other financial markets.

The successful execution of any strategy depends upon the ability of key members of the Adviser's investment team to develop and implement investment strategies that achieve the relevant strategy's investment objectives. If the Adviser were to lose the services of these members, the consequence to the strategies could be material and adverse and could lead to the premature termination of Client mandates dedicated to that strategy.

The success of the strategies is also dependent upon the talents and efforts of highly skilled individuals employed by the Adviser and the Adviser's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other employees. There can be no assurance that the Adviser's investment professionals will continue to be associated with the Adviser throughout the life of the strategy, and the failure to attract or retain such investment professionals could have a material adverse effect on the strategy's investments therein. Competition in the financial services industry for qualified employees is intense and there is no guarantee that, if lost, the talents of the Adviser's investment professionals could be replaced.

Certain products implementing the strategies may provide the Adviser with considerable discretion as to the investment program to be followed, permitting the Adviser opportunistically to implement

whatever strategies or discretionary approaches the Adviser believes from time to time may be best suited to prevailing market conditions. There can be no assurance that the Adviser will be successful in applying any strategy or discretionary approach to the strategy's trading program. The Adviser may also employ new trading or hedging techniques. Any such new trading or hedging techniques may not be thoroughly tested in the market before being employed and may have operational shortcomings which could result in unsuccessful trades and, ultimately, losses to Underlying Investors in the relevant strategy. In addition, any new trading strategies or hedging techniques developed for a strategy may be more speculative than earlier techniques and may increase the risk of an investment in the relevant strategy.

Risk Management Risks

Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of Clients may be incomplete or altogether ineffective. Similarly, the Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to Clients. The Adviser's method of minimising such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behaviour, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Valuation Risks

There are various conflicts of interest in connection with the valuation of Client assets, in particular, higher valuations of Client assets may result in increased asset-based and performance-based fees, and in some cases, increased compensation for personnel. In addition, inflated valuations may result in better performance which may assist in marketing for the Adviser. Conflicts of interest may be heightened in the case of assets that do not have readily ascertainable market values. To address these conflicts, the Adviser has adopted and implemented policies and procedures for the valuation of Client securities, which are detailed in the Adviser's valuation policy, which is available to Underlying Investors upon request.

Client's assets and liabilities are valued in accordance with the Adviser's valuation policy and procedures, as may be amended from time to time (the "Valuation Policy"). In addition, certain Clients may require different methodologies to those implemented using the Adviser's Valuation Policy. Such differences may create a conflict of interest in that the Adviser may take such differences into account in its decision-making process, which could benefit one client versus another or benefit the Adviser's compensation. In making valuation determinations, the Adviser is subject to a conflict of interest, especially with respect to illiquid securities, as the valuation of such assets and liabilities affects its compensation. There is no guarantee that the value determined with respect to a particular asset or liability by the Adviser will represent the value that will be realized by a Client on the eventual disposition of the related investment or that would, in fact, be realized upon an immediate disposition of the investment. The performance of a Client could be adversely affected if such valuation determinations are materially higher than the value ultimately realized upon the disposition of the investment.

The Adviser seeks to manage this conflict of interest by allocating the responsibility for valuation of assets and liabilities to staff who do not make trading and investment decisions. Valuations are subject to multiple levels of review for approval. In accordance with the Valuation Policy, the Adviser has established a Valuation Committee chaired by the Adviser's Chief Financial Officer which assesses the application of the Valuation Policy to the Clients' investments. The Valuation Policy and Valuation Committee govern the hierarchy of asset type and related price sourcing rules, and the use of pricing sources and broker quotes, treatment of illiquid investments and special investments, use of model-based valuations and the impact of market disruption. These policies are designed to address conflicts of interest.

Valuations of assets of a Client's directly or indirectly held positions may involve uncertainties and require the application of business judgment. If such valuations should prove to be incorrect, the net

asset value of a Client could be adversely affected. The net asset value of a Client will fluctuate over time according to the performance of the Client's investments. An Underlying Investor might not fully recover their initial investment when they choose to redeem their investment or upon compulsory redemption if the net asset value of the Client is less than that at the time of investment.

A Client may own securities that are not publicly traded and are required to be fairly valued by the Adviser in accordance with its valuation policies and procedures. Investors should review the Clients' Governing Documents to understand the risks and potential conflicts of interest that may arise in connection with valuation of assets. The valuation of the assets of a Client will likely affect such Client's reported performance. A Client's investments may have no, or a limited, liquid market (either generally or at specific points in time), and the fair value of such investments may not be readily determinable.

Many of the investments made by Clients are illiquid and thus have no readily ascertainable market prices. Where a Client's Governing Documents, Advisory Agreement or the Valuation Policy requires, the Adviser values illiquid investments based on its own estimate, or an independent third party's estimate, of their fair value as of the date of determination, which often involves significant subjectivity. There is no single standard for determining fair value in good faith and in many cases fair value is best expressed as a range of fair values from which a single estimate may be derived. The Adviser may estimate the fair value of Clients' investments based on third-party models, or models developed by the Adviser, which may include asset liability models based on or utilising credit rating agency frameworks relevant to the underlying investment, discounted cash flow analyses, adjusted EBITDA, and other techniques and may be based, at least in part, on independently sourced market parameters. The estimates and assumptions used in these models include the timing and expected amount of cash flows, the appropriateness of discount rates used, and, in some cases, the ability to execute, the timing of and the estimated proceeds from expected financings, some or all of which factors may be ascribed more or less weight in light of the particular circumstances. These models may be summary or incomplete representations of the underlying transactions. In addition, models may be inaccurate for a variety of reasons including but not limited to negligence. It may not be possible for a Client to reclaim fully any losses in these circumstances. In addition, regardless of these factors, actual results related to any particular investment often vary materially as a result of the inaccuracy of these estimates and assumptions. As illiquid investments held by Clients may be in industries or sectors which are unstable, in distress or undergoing some uncertainty, valuations of such investments may be subject to rapid and/or significant changes caused by, among other matters, sudden company-specific or industry-wide developments or significant market volatility or other global events. Because such valuations will be inherently uncertain, may fluctuate significantly over short periods of time and will be based on estimates and other material assumptions, our determinations of fair value may differ materially from the values that would have been used if a readily available market for these investments existed and may differ materially from the values that a Client may ultimately realize on such investments.

The Adviser has and may in future change its valuation procedures and methods from time to time (generally within the framework of the applicable generally accepted accounting practices governing the Client and any downstream entities) to reflect market practice, regulatory requirements, or other factors deemed appropriate by the Adviser, its accounting advisers or directors of any Client or its associated downstream entities.

Regulatory Risks

The London Interbank Offered Rate (known as "LIBOR") is a commonly used reference rate in global financial markets. A major shift is underway to transition from LIBOR to alternative near Risk-Free-Rates ("RFRs") by the end of June 2023. Similar reforms are taking place in the context of other interest rate benchmarks based on interbank lending (so called "IBORs"). The risks in this section apply generally to other affected IBORs.

The lack of an underlying active market in interbank lending over recent years means that LIBOR is now sustained by the "expert judgement" of panel banks. The FCA has said that this cannot continue indefinitely. It is not possible to predict with certainty the overall effect of LIBOR reform, but the discontinuance of LIBOR and the transition to RFRs raises a number of risks.

Where it is not possible to amend an existing LIBOR exposure to the relevant RFR (a process known as 'remediation'), by the time LIBOR ceases to be published or is declared unrepresentative by the

FCA, that asset is unlikely to function or perform as originally intended, its price may be negatively impacted or value transferred, and it may become illiquid and hard to value.

It may not be possible to remediate certain assets from LIBOR to the new RFRs, or to transition a hedge and its underlying position at the same time, causing a mismatch or 'basis risk'. Remediation is likely to be particularly difficult for assets issued to multiple investors or with high consent thresholds to amend the rate.

Delays or failures in obtaining investor or counterparty consent, or regulatory approval, may adversely impact transition.

RFRs are conceptually different to LIBOR and do not operate on the same basis. Remediation from LIBOR to RFRs may lead to a strategy paying more or receiving less on an asset than if it had remained a LIBOR-referencing asset. Spread adjustments applied to RFRs to reflect the historical difference in performance with LIBOR are rough proxies and will not perfectly match the performance of the relevant LIBOR rate it replaces, meaning that some value transfer is inevitable.

Borrowing costs under financing arrangements could be impacted where RFRs or other interest rates are used (directly or indirectly) instead of LIBOR.

Some of the RFRs are relatively new interest rate benchmarks compared to LIBOR and how these rates, and any adjustment spreads, will perform in stressed market conditions or over significant time periods is not well established. Industry and market solutions for transition from LIBOR to RFRs across different asset classes and currencies are not aligned and are developing at different rates.

If remediation alters the legal, commercial, tax, accounting or other economic outcome of the relevant trade(s), including as between a trade and its hedge, there is a risk of detriment to the Underlying Investors in a strategy. There is a risk that transitioning away from LIBOR may in certain instances trigger other regulatory obligations such as clearing or margining, which would impact the performance of affected transactions.

For new investments, including where an existing LIBOR-asset is sold and replaced with an RFR-referencing asset during transition, the market in the relevant RFR-referencing asset may lack liquidity and/or price transparency, particularly when compared with historical LIBOR volumes.

The UK Criminal Finances Act 2017 introduced a criminal offence which is committed where a relevant body fails to prevent a person associated with it from committing an offence of facilitating another person in tax evasion (whether UK tax evasion or non-UK tax evasion). The relevant body has a defence to this "failure to prevent" offence if it can prove that it had in place reasonable prevention procedures designed to prevent persons associated with it from committing tax evasion facilitation offences. The definition of a person associated with a relevant body is widely drawn and includes an employee, an agent or any other person who performs services for or on behalf of the relevant body. The Adviser is a relevant body for these purposes and while the Adviser could therefore be held to have committed the UK "failure to prevent" offence if a person associated with it were to commit a tax evasion facilitation offence and it did not have in place reasonable prevention procedures. While the Adviser has put in place procedures to prevent persons associated with it from committing facilitation of tax evasion offences, it cannot be guaranteed that these procedures will be sufficient in every case to establish the defence of having reasonable prevention procedures in place.

Globally, regulators instigated numerous legislative proposals seeking to enhance transparency regarding environmental, social and governance ("ESG") matters in the investment process. This may introduce material additional compliance procedure requirements and expense for asset managers and institutional investors, with a consequent potential negative effect on a strategy's returns.

The ability of a strategy and any Client it utilises to achieve investment success may be subject to legal and political risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, lack of effective avenues for legal redress and lack of enforcement of existing regulations. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on a strategy, its Clients and its operations. In addition, the income and gains of any Client used by a strategy may be subject to withholding taxes imposed by foreign

governments for which Underlying Investors may not receive a full foreign tax credit. Furthermore, it may in certain scenarios be difficult to enforce a judgment in any relevant jurisdiction.

Governmental, legal or regulatory restrictions may have a negative impact on a strategy's profitability by restricting the ability of any Client it utilises to operate in a competitive manner, thus having a detrimental impact on its business and reputation.

The global financial markets have in the recent past undergone fundamental disruptions which have led to extensive governmental intervention. Such intervention was in certain cases implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated. In addition, these interventions were sometimes unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the ability of the Adviser to fulfil the investment objective of a strategy. However, Adviser believes that there is a high likelihood of significantly increased regulation of the global financial markets and that such increased regulation could be materially detrimental to the performance of a strategy.

The legal and regulatory environment worldwide for managers of private funds positioned similarly to the Adviser is subject to change. Changes in the regulation of the Adviser or its affiliates, and their trading and investing activities or management may have a material adverse effect on the ability of the Adviser to successfully execute a strategy and the value of investments exposed to it.

In recent years there has been an increase in regulatory scrutiny of the financial markets and the private investment fund industry, resulting in an unprecedented amount of legislation that impacts the Adviser: principally, the Dodd-Frank Act and the JOBS Act in the United States; and the AIFM Directive, MiFID II and EMIR in the European Union. Such regulatory changes have impacted the private investment fund industry through, among other things: (i) increasing the regulation related to the management and marketing of funds in the EU; (ii) establishing minimum amounts of initial margin that must be posted for certain financial instruments; (iii) requiring certain derivatives to be cleared through central clearinghouses; (iv) changing pre- and post-trade transparency obligations applicable to financial instruments admitted to trading on certain trading venues; and (v) introducing a new focus on regulation of algorithmic and high frequency trading. In addition, the Adviser may, in its sole discretion, cause a Client in respect of a strategy to be subject to certain laws and regulations if it believes that an investment or business activity is in such vehicle's interest, even if such laws and regulations may have a detrimental effect on one or more Underlying Investors. These reforms and any other new laws and regulations or actions taken by regulators that restrict or impair the ability of a strategy to pursue its investment program or employ brokers and other counterparties could have a material adverse effect on the strategy's returns.

In addition, increased regulation (whether promulgated under securities laws or any other applicable law) and regulatory oversight of and changes in law applicable to private investment funds and their managers may impose administrative burdens on the Adviser, including responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert the Adviser's time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof).

The EU's second Markets in Financial Instruments Directive ("MiFID II"), laws and regulations introduced by Member States of the EU to implement MiFID II, and the EU's Markets in Financial Instruments Regulation ("MiFIR"), which came into force on 3 January 2018.

In particular, MiFID II and MiFIR requires certain standardised OTC derivatives to be executed on regulated trading venues. MiFID II and MiFIR introduce for the first time within the EU position limit and position reporting requirements in relation to certain commodity derivatives. The precise implication and scope of these requirements is not yet known, as the implementation measures are not yet finalised. It is unclear how the derivatives markets will adapt to these new regulatory regimes.

In addition, MiFID II introduces wider transparency regimes in respect of trading on EU trading venues and with EU counterparties. MiFID II extends the pre- and post-trade transparency regimes from equities traded on a regulated market to cover equity-like instruments such as depositary receipts, exchange-traded funds and certificates that are traded on regulated trading venues as well as to cover non-equities such as bonds, structured finance products, emission allowances and derivatives. The increased transparency regime under MiFID II, together with the restrictions on the use of “dark pools” and other trading venues, will mean a wealth of new information relating to price discovery becoming available. Such increased transparency and price discovery may have macro effects on trading globally, which may be adverse to Clients.

MiFID II and MiFIR may increase the regulatory obligations and/or costs on any Client running a strategy or the Adviser and its affiliates, but their impact is highly uncertain.

Legal Risk

Many of the laws that govern private and foreign investment, equity securities transactions and other contractual relationships in certain countries, particularly in developing countries, are new and largely untested. As a result, Clients operating a strategy may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets selected pursuant to a strategy are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on a strategy.

Any Client operating a strategy is subject to the risk of legal claims and proceedings and regulatory enforcement actions in the ordinary course of its business and otherwise. The results of legal and regulatory proceedings cannot be predicted with certainty. It cannot be guaranteed that the results of future legal or regulatory proceedings or actions will not materially harm its business, financial condition, results of operations or operations, nor can it be guaranteed that a strategy will not incur losses in connection with future legal or regulatory proceedings or actions that exceed any available insurance coverage, which may have a material adverse effect on a Client's business, financial condition, results of operations and cash flows.

Service Provider Risks

Misconduct by employees or by third-party service providers could cause significant losses to a Client operating a strategy. Employee misconduct may include binding such a vehicle to transactions that exceed authorised limits or present unacceptable risks and unauthorised trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third-party service providers, including, without limitation, failing to recognise trades and misappropriating assets. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting a Client's business prospects or future marketing activities. Although the Adviser will adopt measures to prevent and detect employee misconduct and to select reliable third-party providers, such measures may not be effective in all cases.

Clients typically rely on retained service providers as agreed in the relevant Advisory Agreement or as disclosed in the relevant Fund offering documentation and may retain additional service providers at any time and from time to time. As such vehicles have no employees and the members of the board of directors are all appointed on a non-executive basis, the vehicles are highly reliant on the performance of third-party service providers.

An Underlying Investor's relationship in respect of its investment is with the Client only. Accordingly, absent a direct contractual relationship between the Underlying Investor and the relevant Service Provider, no Shareholder will have any contractual claim against any Service Provider for any reason related to its services to the Client or its associated entities. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Client, by the relevant Service Provider is, prima facie, the Client

Funds operating strategies may enter into various agreements and other documents which may contain provisions broadly limiting the liability of the Adviser, other service providers and counterparties that provide broad exculpation and indemnification by the vehicle for the benefit of such persons. The vehicle's assets may then be subject to claims for indemnity that could be material and could have an adverse effect on a strategy's returns.

The reliability of postal services and mail forwarding systems varies across jurisdictions globally. To the extent the Adviser or any Clients are reliant on such services, their failure or delay may cause material loss, including to Underlying Investors.

Limits on Trading Activities

From time to time, the Adviser may receive material non-public information with respect to an issuer of publicly-traded securities. In such circumstances, a Client running a strategy may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer. This can result in substantial risk of loss or loss of opportunity if the relevant vehicle is not able to purchase or sell such security.

The Market Abuse Regulation took effect in the member states of the EU, including the United Kingdom, in July 2016. The number of financial instruments to which the above restrictions in respect of material non-public information apply was significantly increased under the Market Abuse Regulation, and will be further increased after MiFID II takes full effect. The significantly broadened scope of the Market Abuse Regulation may materially increase the risk of the Adviser being unable to deal in such financial instruments, and a strategy incurring substantial risk of loss or loss of opportunity.

A Client running a strategy is subject to laws which restrict it from dealing with persons that are located or domiciled in sanctioned jurisdictions. Accordingly, such vehicles will require each Underlying Investor to represent that they and their beneficial owners or controllers are not named on, or deal with third parties named on, a list of prohibited entities and individuals maintained by OFAC or under EU and UK Regulations (as extended to the Cayman Islands by Statutory Instrument), and is not operationally based or domiciled in a country or territory in relation to which current sanctions have been issued by the United Nations, EU or UK (collectively "Sanctions Lists"). Where the Underlying Investor is on a Sanctions List, the relevant vehicle may be required to cease any further dealings with the Underlying Investor's interest in it, until such sanctions are lifted or a licence is sought under applicable law to continue dealings.

In some situations, purchases or sales of securities for one Client account may cause certain trading limitations to apply to another Client account. Such trading limitations may be the result of regulatory restrictions. For example, under federal securities laws, a short sale of a security by one Client within five business days prior to a public offering of the same securities (the timing of which is generally not known to the Adviser in advance) may prohibit another Client from participating in the public offering, which could cause the Client to miss an otherwise favorable investment opportunity or to pay a higher price for the securities in the secondary markets. Similarly, in the event that the Adviser causes one of its Clients to purchase equity securities offered via private placement, the Adviser's other Clients may be restricted from trading in related publicly traded securities. In addition to limits imposed by law or regulation, the Adviser may place limits on the aggregate ownership of classes of equity securities across all Client accounts over which it has investment discretion. Such limits may prevent certain Client accounts from participating in an investment in which other Client accounts with similar investment objectives and guidelines participate, such as where the Adviser is not able to invest a new Client account's assets in a security because the Adviser has reached the aggregate ownership limit for that security with respect to its other Clients.

Operational Risks

The Adviser relies heavily on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers, including prime brokers, the third-party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be

subject to certain defects, failures or interruptions. For example, the Adviser and its Clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the Clients' operations. In addition, despite certain measures established by the Adviser and third party service providers to safeguard information in these systems, the Adviser, Clients and their third party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the Client trading activities, liability under applicable law, regulatory intervention or reputational damage.

Whilst the Adviser and service providers seek to put in place safeguards designed to protect the interests of Clients participating in the relevant strategy, in case of disruption of information technology, including transmission failures, there is no guarantee that such measures will be effective against all situations or could be implemented in time and such vehicles may be adversely affected accordingly.

Senior representatives of the SEC have stated that cybersecurity is a global threat of extraordinary and long-term seriousness, even surpassing terrorism as a global threat. Cybersecurity threats come from many sources: criminal and hired hackers, terrorists, state-sponsored intruders, and even misguided computer experts to see what they are able to penetrate. Cyber threats also pose non-discriminating risks across jurisdictions globally, and to critical infrastructure, financial markets, banks, intellectual property, and private data. For instance, Senior representatives of the SEC have stated that large banks have repeatedly been the subject of denial-of-service attacks in which their public websites have been knocked offline for hours at a time, and numerous government agencies have also experienced a series of cyber-attacks. Moreover, cyber-attacks on financial institutions have become both more frequent and more sophisticated. This is also true of cyber-attacks on the infrastructure underlying the capital markets. The risks facing the capital market infrastructure and regulated entities are of particular concern to the SEC. For instance, a cyber-attack on an exchange or other critical market participant can have broad consequences that impact a large number of public companies and their investors. Indeed, given the extent to which the capital markets have become increasingly dependent upon sophisticated and interconnected technological systems, there is a substantial risk that a cyber-attack could cause significant and wide-ranging market disruptions and Underlying Investor harm. The SEC has also highlighted to the industry that ransomware attacks are increasing in scale, sophistication, and frequency, victimizing governments, individuals, and private companies around the world.

The information and technology systems of the Adviser and of key service providers to the Adviser and its Clients may be vulnerable to potential 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. Although the Adviser has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or its Client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information. Such a failure could also harm the reputation of the Adviser, the Client exposed to the relevant strategy, a service provider and/or an issuer, subject such entity and its affiliates to legal claims and otherwise affect their business and financial performance. Nation state, advanced persistent threat and other sophisticated actors in the cyber domain may possess the ability to exploit known or unknown system deficiencies and it is unlikely, for instance in the case of zero day vulnerabilities, that any exploitation could be prevented.

Compelled Disclosure Risks

Underlying Investors may not benefit from protection provided by banking secrecy and data protection laws that may apply in their own jurisdiction or in the jurisdiction of the booking centre. Different and potentially obligatory disclosure as may be required by law, regulation, legal process, other controlling judicial or regulatory requirement or by any relevant regulatory, governmental, quasi-governmental or tax authority or securities exchange may be imposed in respect of Underlying Investors and their

beneficial owners. Clients exposed to the strategies, and any if their directors and agents, may be compelled to provide information, including information relating to the Underlying Investor, and where applicable the Underlying Investor's beneficial owners, controllers and authorised persons, subject to a request for information made by a regulatory or governmental authority or agency under applicable law. Disclosure of confidential information under such laws will not be regarded as a breach of any duty of confidentiality and, in certain circumstances, such vehicles and any of its or their directors or agents may be prohibited from disclosing that the request has been made. Underlying Investors will be required to provide specified information as part of a subscription process into a strategy, and may be requested to provide additional information during the course of any investment in such strategy. Where Underlying Investors provide inaccurate or incomplete information, they or the Clients may become liable to penalties for non-compliance. In some cases. Clients may have the ability to compulsorily redeem recalcitrant Underlying Investors and make withholdings from distributions/redemption proceeds to pass on any related financial penalties and costs suffered by the Client solely to such recalcitrant Underlying Investors that have caused the liabilities rather than allowing such liabilities to be borne by the Underlying Investors as a whole.

The Adviser, vehicles running its strategies and their service providers may need to disclose personal data to entities located in jurisdictions outside the Underlying Investors' jurisdictions, which may not have any equivalent data protection.

RISKS RELATING TO INVESTMENTS

Interest Liquidity and Redemption Risks

An investment in a vehicle operating a strategy provides limited liquidity since the interests are not freely transferable and an Underlying Investor's right to redeem is subject to the terms and restrictions set forth in the vehicle's offering, subscription, and constitutional documentation. A vehicle may invest a portion of its assets in financial instruments that are not publicly traded. A vehicle may not be able to readily dispose of such non-publicly traded financial instruments and, in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. Accordingly, a vehicle may be forced to sell its more liquid positions at a disadvantageous time, resulting in a greater percentage of the portfolio consisting of illiquid securities and/or assets. A vehicle may also suspend the redemption rights of the Underlying Investors. An investment in a vehicle is suitable only for sophisticated investors who do not require immediate liquidity for their investment.

Pursuant to the terms of a vehicle's constitutional documentation, Underlying Investors that are entitled to vote and have the requisite majority of votes required to pass a special resolution and, if applicable, the necessary class consent, may be able to approve any amendment to such documents that would restrict the redemption rights of all Underlying Investors holding such class of interests. Accordingly, the redemption rights of any Underlying Investor are subject to change at any time. Redemption rights that may be affected include, without limitation, the notice period for redemptions, the frequency of redemptions and the time and mechanism that the vehicle may require to pay redemptions proceeds (including the implementation of a so-called "slow pay" mechanism for liquidating assets of a vehicle that are impaired, illiquid and/or hard to value). In addition, in the event that affiliates of the Adviser are investors that are entitled to vote and have the requisite majority of votes required to pass a special resolution and, if applicable, the necessary class consent, such affiliates would be able to change the redemption rights of a minority of Underlying Investors without their consent. The amendment of the redemption rights of all Underlying Investors could adversely affect the value of a non-consenting Underlying Investor's interests if the value of the vehicle's investments depreciate following the time such Underlying Investor would have redeemed all or a portion of its interests, but was prevented from doing so by the new, more restrictive redemption rights.

In the event that there are substantial redemptions of interests within a limited period of time, the Adviser may find it difficult to adjust its asset allocation and trading strategies to the suddenly reduced amount of assets under management. Under such circumstances, in order to provide funds to pay redemptions, the Adviser may be required to liquidate positions of a Client exposed to a particular strategy at an inopportune time or on unfavourable terms, resulting in lower net assets for the remaining Underlying Investors and a lower redemption price for the redeeming Underlying Investors. The board of directors of such a vehicle may elect to cause the redemption of all interests and liquidate the vehicle at any time

if, in its view, continued operation of the vehicle would be impracticable or imprudent for any reason, including if the amount of the vehicle's assets declines to a significant extent.

Segregation and Cross-Class Liability Risk

Clients utilised to implement a given strategy may benefit from the legal segregation of their assets or liabilities as a matter of the laws of the jurisdiction of their establishment. While the Adviser will also generally seek to limit cross-class liability within a Clients, such liabilities may exist as a result of operation of law, conflict of law, insolvency rules, or structural features that are necessary or expedient to facilitate the strategy. There can be no assurance that actions brought against a Client in the courts of jurisdictions other than that of its establishment will necessarily uphold any legal segregation.

Preferential Terms

The Adviser, or any Clients implementing a strategy, or other key service providers may enter into separate agreements with certain Underlying Investors including, without limitation, those deemed to involve a significant or strategic relationship. Such agreements may contain terms including but not limited to those which provide Underlying Investors with additional or different information and reporting than is provided to other Underlying Investors or which provide different investment terms or fee caps. Such information may provide the recipient with greater insights into the vehicle's activities than is included in standard reports to Underlying Investors, thereby enhancing the recipient's ability to make investment decisions with respect to the Client and with respect to the investment of its own assets. To provide Underlying Investors with enhanced rights, the Client may create additional classes of interests for all or certain Underlying Investors which provide for, among other things, (i) greater transparency into the vehicle's portfolio; (ii) different redemption rights; (iii) greater information than may be provided to other Underlying Investors; (iv) different fee terms; (v) more favourable transfer rights and (vi) key man notifications.

Subscription Proceeds

Depending on the jurisdiction of a Client, its service providers and terms of any subscription into any relevant strategy, subscription proceeds may be subject to investment risk in the relevant strategy prior to book entry settlement of the Underlying Investor position as of the subscription date.

Distribution In Kind Risk

Under certain circumstances, an Underlying Investor may, in the sole discretion of the board of directors of the relevant Client, receive securities in lieu of, or in combination with, cash. Such distributions may include interests in one or more trading vehicles or special purpose vehicles holding securities owned by the Client or participations therein. To the extent an Underlying Investor is distributed interests in one or more trading vehicles or special purpose vehicles, such Underlying Investor will continue to be at risk with respect to the Client's business (including its credit risk) until all such securities are sold. The value of the in-kind distributions may increase or decrease before they are sold either by the Underlying Investor, if received directly, or by the Adviser or its affiliates, if held through a trading vehicle or special purpose vehicle. In either case, the Underlying Investor will incur transaction costs in connection with the sale of any such securities and, in the case of interests in trading vehicles or special purpose vehicles, will bear a proportionate share of the operating and other expenses borne by such vehicle. Securities distributed in kind may not be readily marketable. The risk of loss and delay in liquidating these securities will be borne by the Underlying Investor, with the result that such Underlying Investor may ultimately receive less cash than it would have received on the date of redemption if it had been paid in cash. Furthermore, to the extent that an Underlying Investor receives interests in one or more trading vehicles or special purpose vehicles, such Underlying Investor will generally have no control over when and at what price the securities in which such vehicles have an interest are sold.

Incentive Allocation Risks

The incentive allocation made to the Adviser or its affiliates on investment gains may create an incentive for the members of the Adviser's group (who may indirectly receive a portion of the incentive allocation) to cause relevant Client to make investments that are riskier or more speculative than would be the case if such allocation were not made. In addition, since the incentive allocation will be calculated on a

basis that includes unrealised appreciation of that Client's net assets, such allocation may be greater than if it were based solely on realised gains.

Tax Risks

Tax law and practice are subject to change globally. Any change in the tax status of a Client, or in accounting standards, or in taxation legislation or the taxation regime, or in the interpretation or application of taxation legislation applicable to the Client, any investment or company comprised in the portfolio, or a material adverse change in facts relating thereto, (collectively, a "Tax Development") could affect the value of the investments held by the Client and its ability to achieve a strategy's stated objective or a strategy's ability to provide distributions to Underlying Investors and/or alter the post-tax returns to Underlying Investors materially. It is possible that any legislative changes may have retrospective effect.

The Adviser may or may not take tax considerations into account in determining where or whether to incorporate a Client, or when the investment into a strategy's securities positions should be sold or otherwise disposed of and may or may not assume certain market risk and incur certain expenses in this regard to achieve favourable tax treatment of a transaction.

Investment vehicles or investments utilised to implement a particular strategy may be subject to tax audit risks by the relevant taxation authorities and any adverse adjustments may impact the success of the strategy or investment returns either to Underlying Investors as a whole or in respect of certain Underlying Investors.

Investments in Clients may cause a US tax-exempt Underlying Investor to derive unrelated business taxable income ("UBTI"). Pension and profit-sharing plans, Keogh plans, individual retirement accounts and other tax exempt Underlying Investors may realize "unrelated business taxable income" as a result of any Client which employs leverage. Prospective US tax-exempt Underlying Investors are urged to consult their own tax advisers concerning the US tax consequences of an investment in a Client.

When a Client implementing a strategy is considered to be a "passive foreign investment company" ("PFIC") for US federal income tax purposes and may invest (directly or indirectly) in other PFICs. While the PFIC rules generally are not expected to apply to a US Tax-Exempt Underlying Investor whose Shares are not debt-financed, temporary and proposed regulations appear to treat certain tax-exempt trusts (but not qualified plans) differently than other tax-exempt entities by treating the beneficiaries of such trusts as PFIC shareholders and thereby subjecting such persons to the adverse PFIC rules.

Where Underlying Investors rely on a Client or the Adviser to provide information necessary for their tax affairs, for instances without limitation Schedules K-1, the Client or the Adviser may be unable to provide final Schedules K-1 on a timely basis to the Limited Partners for any given fiscal year until significantly after April 15 of the following year. Underlying Investors may be required to obtain extensions of filing dates for their income tax returns at the Federal, state and local levels, and may not be successful in doing so.

In certain circumstances Clients may be structured as partnerships for federal tax purposes. In these circumstances, if it were determined that the Client should be taxable as a corporation for Federal tax purposes (as a result of a Tax Development), the taxable income of the Client would be subject to corporate income tax when recognized; distributions of such income, other than in certain withdrawals of Underlying Investors' partnership interests, would be treated as dividend income when received by the Underlying Investors to the extent of the current or accumulated earnings and profits of the Client; and Underlying Investors would not be entitled to report profits or losses realized by the Client.

Portfolio activity by a Client undertaken for the benefit of the Client may cause that Client to change tax status, for instance and without limitation causing it to be taxed as a taxable mortgage pool under Section 7701(i) of the Internal Revenue Code of 1986 (the "Code"). While the Adviser will generally seek to avoid such portfolio activity, any such action would impact Underlying Investors differently.

The Adviser or its related parties may in certain circumstances decide how to report the items on the tax returns of Clients formed as partnerships. In certain cases, for instance where a Client is a partnership under US tax legislation, the Client may be required to file a statement disclosing one or

more positions taken on its tax return, generally where the tax law is uncertain or a position lacks clear authority. Underlying Investors who are partners are required under the Code to treat the partnership consistently on their own returns, unless they file a statement with the US Inland Revenue Service (the "IRS") disclosing the inconsistency. Given the uncertainty and complexity of the tax laws, it is possible that the IRS may not agree with the manner in which a Client's items have been reported. In the event the income tax returns of the Client are audited by the IRS, the tax treatment of the Client's income and deductions generally is determined at the limited partnership level in a single proceeding rather than by individual audits of the Underlying Investors. Any person designated by the Adviser or its related parties to serve as the Client's partnership tax representative in the event of an audit by the IRS has considerable authority to make decisions affecting the tax treatment of all Underlying Investors who are partners, including extending the statute of limitations with respect to the disputed items and settling any such audit.

Underlying Investors are advised to consult their own tax advisors in relation to their personal circumstances and suitability of any investment into a strategy.

Prospective Underlying Investors may be subject to national laws (including US federal laws), state laws, rules and regulations which may regulate their participation in a Client utilised by a particular strategy from time to time. Each Underlying Investor will be subject to different laws, rules and regulations and should consult with their own advisors as to the advisability and tax consequences of an investment. Trustees or administrators of such Underlying Investors are urged to review these matters carefully.

Permanent Establishment Risk

Tax rules are complex, subject to change and vary by jurisdiction globally. The tax residency, permanent establishment, trading, or investment activities of a Client or the Adviser, each of their affiliates, their staff or service providers may be subject to challenge by its own or other taxation authorities, which if adversely determined may significantly impact the investment returns of a strategy, the business or operations of any of the foregoing entities, and may require significant restructuring, attracting additional expense and diverting management time. There can be no assurance that the income or other amounts received in respect of an investment made by a Client will not be or become subject to tax on net income, profits or gains or withholding or transaction taxes in any jurisdiction (including without limitation diverted profits tax), or assurance as to the deductibility or continued deductibility of any expenses as a result of anticipated activities by the foregoing entities.

Counterparty Risk

Some of the markets in which a Client strategy may be exposed may be markets that effect transactions that are not "exchange-based", including "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange-based" markets are subject. The lack of evaluation and oversight of over-the-counter markets exposes the Client to the risk that a counterparty will not settle or pay margin on a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Client to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Client has concentrated its transactions with a single or small group of counterparties. Generally, a Client will not be restricted from dealing with any particular counterparties. The Adviser's ability to evaluate the creditworthiness of a Client's counterparties upon which a strategy relies may be based on public or private information which is limited or incorrect, or not prove sufficient to prevent loss. The lack of any complete credit models able to predictively evaluate the financial capabilities and risks of a Client's counterparties and the absence of a regulated market to facilitate settlement increase the potential for losses.

The creditworthiness of counterparties may deteriorate rapidly and without warning. These rapid changes in the financial position of counterparties may be sudden and extreme. For example, in recent decades many large and well regarded financial institutions have become insolvent within just a few hours and with limited prior indications of their weakened financial position. While the Adviser generally seeks to assess the creditworthiness of all counterparties on an ongoing basis and take action to protect the Clients when a counterparty's credit appears to weaken, it simply may not be possible for the Adviser

to anticipate or take steps to protect against a sudden and dramatic change in the financial position of a counterparty, especially a “bolt out of the blue” situation in which a counterparty announces that it is insolvent, or otherwise unable to pay its debts on a current basis, without any prior notice or indications of financial difficulties.

The stability and liquidity of over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. Where the Adviser holds ongoing monitoring obligations, the Adviser will generally seek to monitor on an ongoing basis the creditworthiness of firms with which Clients will enter into over-the-counter derivative transactions. If there is a default by the counterparty to such a transaction, such Client will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of the Client being less than if the Client had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of a Client’s counterparties were to become insolvent or the subject of insolvency proceedings, there exists the risk that the recovery of the Clients’ securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer. Underlying Investors should assume that the insolvency of any counterparty would result in a loss to the Clients, which could be material.

Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security’s or instrument’s value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

Use of New Technologies by Counterparties, Service Providers and Investees

Significant global financial institutions, custodians and ‘fintech’ new entrants to financial services, in some cases supported by significant global financial services businesses, have announced they are or are expected to be early adopters in using blockchain or other distributed ledger technologies (collectively, “blockchain”), in various ways, including operationalising either registration of ownership or investment management processes. One of the common uses of blockchain is to establish decentralised networks and avoid single points of reliance or failure (for example the risk of loss via the insolvency of a single counterparty). However, many aspects and applications of blockchain technology are new, and may be untested, and businesses and their processes utilising blockchain technology may be vulnerable to exceptional technological and operational failures. Where utilised, the Adviser is unlikely to be able to materially influence how counterparties or service providers of Clients implementing a strategy adopt blockchain technology or any consequent impact on its operations, investments or the strategy. Consequently, the Adviser may transact with counterparties, and invest in entities, or utilise service providers, who have adopted or are adopting such technology in the normal course of executing the Client’s investment strategy or its duties. Any given blockchain technology or project’s consensus mechanism, cryptography, or user interaction points may fail for any number of reasons (theoretical, economic, technical, etc.), individually or in concert with other projects sharing similar characteristics or code. In addition, new or existing regulatory issues may arise regarding how such technology is being implemented. Accordingly, while the Adviser believes entities relying on such technology may need a robust business continuity plan and governance framework to mitigate risks, there is no assurance that the Adviser will be able ascertain whether a counterparty, service provider or its investment are materially reliant on such technology, or to require counterparties to adopt such processes, or that any technology diligence on counterparties or investments will be able to identify any vulnerabilities and risks or appropriate mitigants. To the extent that any implementation of blockchain technology to which the Client is exposed (whether via counterparties, service provider or investment) is subject to single or multiple points of failure (whether technological, operational or otherwise), the Client could be adversely affected.

Portfolio Risks

A Client may lend securities on a collateralised and an uncollateralised basis, from its portfolio to creditworthy securities firms and financial institutions. While a securities loan is outstanding, the Client

will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially.

A Client may borrow securities on a collateralised and an uncollateralised basis from its prime brokers and other creditworthy securities firms and financial institutions. While a securities loan is outstanding, a Client as the borrower will be required to provide collateral and/or a fee to the lender of the securities. The risks in borrowing securities, as with the assumption of other debtor obligations, if any, consist of losing all or some of the collateral provided, if any, should the lender fail financially, while remaining liable for any obligations as a debtor under the securities lending agreement.

Liquidity is generally important to all of the Adviser's strategies. The liquidity of Clients utilised by a particular strategy are closely monitored by its counterparties and in some cases subject to contractual commitments. Under certain market conditions, such as during volatile markets or when trading in a security or market is otherwise impaired, the liquidity of a Client's portfolio positions may be reduced. In addition, a Client may from time to time hold large positions with respect to a specific type of financial instrument, which may reduce the Client's liquidity. During such times, the Client may be unable to dispose of certain investments, including longer-term investments, which would adversely affect its ability to rebalance its portfolios or to meet redemption requests. In addition, such circumstances may force a Client to dispose of investments at reduced prices, thereby adversely affecting its performance. If there are other market participants seeking to dispose of similar securities at the same time, a Client may be unable to sell such investments or prevent losses relating to such investments. Furthermore, if a Client incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, a Client's counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Client's credit risk to them.

Certain instruments may have no readily available market or third-party pricing. Investments that lack liquidity and/or a readily assessable market value will generally be carried on the books of a Client implementing a strategy at fair value (which may be approximated by cost) as reasonably determined by the Adviser. There is no guarantee that fair value will represent the value that will be realised by the Client on the eventual disposition of the investment or that would, in fact, be realised upon an immediate disposition of the investment. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. In some cases, the relevant portfolio may be contractually prohibited from disposing of certain securities for a specified period of time. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a Client's portfolio.

The Adviser's investment program utilizes a significant amount of leverage which includes the borrowing of funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments. Performance may be more volatile if a Client's account employs leverage. Leverage may take the form of, among other things, any of the securities described herein, including, derivative instruments which are inherently leveraged and trading in products with embedded leverage such as options, short sales, swaps and forwards. The use of leverage will allow a Client to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital; however, leverage will also magnify the volatility of changes in the value of the Client's portfolio. The effect of the use of leverage by a Client in a market that moves adversely to its investments could result in substantial losses to the Client, which would be greater than if the Client were not leveraged. In addition, a Client will have the authority to borrow money for cash management purposes and to meet redemptions that would otherwise result in the premature liquidation of its investments. The level of interest rates generally, and the rates at which a Client can borrow in particular will affect the operating results of the Client. Although currently not intended, the amount of borrowings and leverage which a Client may have outstanding at any time may be substantial in relation to its capital.

The instruments and borrowings utilised by a Client to leverage investments may be collateralized by the Client's portfolio. In general, the anticipated use of margin borrowings and other borrowings based on the market value of the portfolio and derivatives which require the Client to post margin results add certain additional risks. Accordingly, a Client may pledge its securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities pledged to brokers to secure the Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which the Client must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of a Client's portfolio, the Client might not be able to liquidate investments quickly enough to satisfy their margin requirements or may be required to close out positions at losses, which if the Client had continued to hold would have been profitable.

The banks and dealers that provide financing to a Client can apply essentially discretionary margin, haircut, financing and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or government, regulatory or judicial action, may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants. The imposition of any such limitations or restrictions could compel a Client to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a complete loss of the Fund's equity.

Clients exposed to a particular strategy will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, Client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments, geographic areas or sectors. Certain strategies may at certain times hold relatively few investments. A Client could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including by default of the issuer.

RISKS RELATED TO CERTAIN INVESTMENT STRATEGIES AND TECHNIQUES

Strategies may involve the purchase and sale of relatively volatile instruments such as derivatives, which are frequently valued based on implied volatilities of such derivatives compared to the historical volatility of underlying securities. Fluctuations or prolonged changes in the volatility of such securities, therefore, can adversely affect the value of investments held by a Client.

A strategy may pursue investment opportunities for a Client that seek to maximise asset value or create market opportunities on a long-term basis. In pursuing such long-term strategies, the strategy may forego value in the short term or temporary investments in order to be able to avail the Client of additional and/or longer-term opportunities in the future. Consequently, the Client may not capture maximum available value in the short term, which may be disadvantageous, for example, for Underlying Investors who redeem all or a portion of their interests before such long-term value may be realised by the Client.

Due to the less liquid nature of certain of the positions which a Client is expected to acquire, the Adviser may be unable to predict with confidence what the exit strategy will ultimately be for any of such given positions, or that one will definitely be available. Exit strategies, which appear to be viable when an investment is initiated, may be precluded by the time the investment is ready to be realised due to liquidity, economic, legal or other factors, including issuer-specific factors.

The Adviser may engage in short selling in relation to particular strategies. Short selling involves selling securities which are not owned by the short seller, and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the seller to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which a Client engages in short sales will depend upon the Adviser's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Client of buying those securities to cover the short position. There can be no

assurance that the Client will be able to maintain the ability to borrow securities sold short. In such cases, the Client can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Legal and regulatory restrictions may impact on the ability of a Client to sell a security short and/or may require the Client to disclose any short position with possible adverse consequences to the Client.

Certain of the Adviser’s strategies may include exposure to long and short positions in equity securities of public and private, listed and unlisted companies. Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates and general economic environments. In addition, events such as the domestic and international political environments, terrorism and natural disasters, may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by a Client.

Strategies may utilise financial instruments both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of a Client’s investment portfolios resulting from fluctuations in the markets and changes in interest rates; (ii) protect an a Client’s unrealised appreciation in the value of its investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or appreciation on any investment in a Client’s portfolios; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of a Client’s investments; (vii) protect against any increase in the price of any investments the Client anticipates purchasing at a later date; or (viii) act for any other reason that the Adviser deems appropriate. A Client will not be required to hedge any particular risk in connection with a particular transaction or its portfolios generally. While a Client may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Client than if it had not engaged in any such hedging transaction. Moreover, it should be noted that the portfolio will always be exposed to certain risks that may not be hedged. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Adviser’s investment portfolios than if the Adviser did not engage in any such hedging transactions.

There are greater risks associated with investments in securities of issuers located in less developed countries than investments in securities of issuers located in the U.S. and other developed markets (“Developing Countries”). Political risk for many Developing Countries is a significant factor. During certain social and political circumstances, governments may be involved in policies of expropriation, confiscatory taxation, nationalization, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls. Strategies may invest in securities of Developing Countries or issued by the governments of Developing Countries. Investing in such securities involves certain considerations not usually associated with investing in securities of companies located in developed countries or issued by the government of such countries, including security and economic considerations, such as greater risks of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of funds, nationalisation and general social, political and economic instability; the small size of the securities markets in Developing 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 a strategy’s investment opportunities; and problems that may arise in connection with the clearance and settlement of trades. In addition, accounting and financial reporting standards that may prevail in Developing Countries generally are not equivalent to standards in more developed countries and, consequently, less information is available to investors in companies located in these Developing Countries than is available to investors in companies located in more developed countries. There is also less regulation, generally, of the securities markets in Developing Countries than there is in more developed countries. Placing securities with a custodian in a Developing Countries may also present considerable risks.

Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly available information; (ii) potential lack of uniform accounting, auditing and

financial reporting standards; (iii) varying levels of governmental regulation and supervision; and (iv) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. The transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, may be higher than those involved in U.S. transactions. Furthermore, many non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are historically less liquid and their prices historically more volatile than securities of comparable U.S. companies. The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy.

Each Client utilizes a base currency for its investment activities, which may or may not be the US dollar. The Clients may invest a portion of their assets in non-base currencies, or in instruments denominated in non-base currencies, the prices of which are determined with reference to currencies other than the base currency. A Fund may or may not seek to hedge all or any portion of its non-base currency exposure. To the extent unhedged, the value of a Fund's assets will fluctuate with the exchange rate of the base currency, as well as the price changes of its investments in the various local markets and currencies. Thus, an increase in the value of the base currency compared to the other currencies in which such Client makes its investments will reduce the effect of increases and magnify the effect of decreases in the prices of such Client's securities in their local markets. Conversely, a decrease in the value of the base currency will have the opposite effect on a Client's non-base currency securities. To the extent a Client invests in non-base currency denominated investments on an unhedged basis, any losses incurred due to non-base currency fluctuations will be borne by the Client. Where Clients receive subscriptions in different currencies to the base currency, such investments may be currency hedged depending on the relevant strategy and in certain circumstances such hedging can create cross-class liability.

Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities. For certain strategies, the Adviser may attempt to minimize exposure to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Adviser will be successful in fully mitigating the impact of interest rate changes.

In the event that the perceived mispricings underlying the Adviser's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, Client accounts may incur a loss.

Certain of the Adviser's strategies may take into account ESG factors, and such strategies may underperform investment strategies that do not consider ESG factors. The Adviser may forgo otherwise attractive investment opportunities or increase or decrease the Client's exposure to certain types of issuers or certain sectors due to the Adviser's consideration of ESG factors. In addition, in evaluating an investment, the Adviser is dependent upon information that may be incomplete, inaccurate or unavailable, which could adversely affect the Adviser's ability to apply its ESG criteria.

Within the context of certain strategies, the Adviser may utilize arbitrage activities. Arbitrage activities will attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in other forms. The Adviser has typically engaged in the following arbitrage activities: fixed income or interest rate arbitrage, debt spread arbitrage and index arbitrage, although the Adviser may in future utilize further arbitrage activities.

The Adviser engages in a fundamental value investment strategy wherein the Adviser attempts to invest in asset-oriented securities the Adviser believes are undervalued by the market.

The Adviser pursues relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued.

RISKS RELATED TO CERTAIN FINANCIAL INSTRUMENTS

Strategies may invest in mortgage-backed securities (“MBS”). Through the use of trusts and special purpose corporations, various types of assets, including commercial and residential mortgages, are pooled and then securitised in pass-through structures. The investment characteristics of MBS differ from traditional debt securities. Among the major differences are: the underlying receivables in a mortgage-backed security often represent the obligations of a large number of obligors (as opposed to a single corporate borrower), and those obligors may vary widely in the terms applicable to their individual borrowings and the quality of their payment histories. The borrowers’ interest and principal payments are made more frequently, usually monthly, and that principal may generally be prepaid at any time. The issuers of these securities may use structural techniques to provide credit protection to differing levels within the capital structure, including but not limited to, tranche subordination, excess spread, guarantees or insurance protection.

These securities carry risks that are not presented by other types of debt instruments. Holders of MBS bear risks including credit, market, interest-rate, structural and legal risk. In limited circumstances the securities may not have the benefit of a security interest in the underlying collateral, rather a contingent security interest. Valuation of these securities may be complex, in part because of the large number of underlying assets forming the basis of the investment. Liquidity in some of these instruments may be materially more limited than for debt instruments issued by public corporations, and at times no liquidity may exist at all. In addition, the value of a MBS is affected by, among other things, changes in the market’s perception of the assets backing the security and the creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement. Some or all of the MBS acquired pursuant to a strategy may not be rated or may be rated lower than investment-grade securities, by one or more nationally recognised statistical rating organisations.

Residential mortgage-backed securities (“RMBS”) represent interests in pools of residential mortgage loans secured by residential property. Such loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitised by government agencies and the securities issued may be guaranteed, or additionally insurance may be provided at the issuer level as a form of credit protection. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including broad macro-economic conditions, the terms of the mortgage loans (for example variability of the interest rate) and the level of borrower equity in the underlying properties securing such mortgage loans. Key factors impacting the underlying borrower performance include employment and interest rate changes, amongst others.

Additionally, residential mortgage loans may be prepaid at any time, which could reduce the yield received on the related issue of RMBS. Likewise, the value of commercial mortgage-backed securities (“CMBS”) – similarly securitised pools of mortgage loans secured by commercial property(s)) will be influenced by factors affecting the value of the underlying real estate portfolio, such as broad macro-economic performance, corporate health and property yields forming the basis for valuation. In addition, should the originating financial institution become insolvent, underlying obligors/borrowers with credit balances at such an institution may attempt to claim a right of set-off in relation to the mortgage loan sold into the trust and securitised. Should said obligor not have been informed of the sale/transfer of the mortgage loan (or said transfer be deemed not to have been an arms-length sale) then such a right of set-off may well be argued to exist in law even where the obligor’s documentation expressly says such right shall not exist.

In general, the returns on “premium” securities (securities whose market values exceed their principal or par amounts, including without limitation MBS, RMBS, CMBS, ABS, CLOs and CDOs) are adversely affected by faster than anticipated prepayments of the underlying mortgage loans. Returns on “discount” securities (securities whose principal or par amounts exceed their market values, including without limitation MBS, RMBS, CMBS, ABS, CLOs and CDOs) are adversely affected by slower than anticipated prepayments. This is the case in all securitisations where the underlying assets (be they loans, leases or other such obligations) are free to be paid otherwise in accordance with their stated repayment schedules.

Asset backed securities (“ABS”) generally refer to securities backed by assets other than mortgages, mortgage-backed securities or other mortgage-related assets. The investment characteristics of ABS differ from traditional debt securities, for instance in most structures principal may be prepaid at any

time because the underlying assets generally may be prepaid at any time. Credit card receivables, automobile and consumer credit or finance loans, aircraft lease obligations and various types of accounts receivable, inter alia, commonly support ABS. ABS present certain risks that are not presented by mortgage-backed securities. Primarily, ABS are often backed by unsecured receivables. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of various consumer credit laws and regulations, meaning that an analysis of the originator, its policies and approach to its borrowers in both the assessment to lend and the actions to collect, are an important element to consider when analysing risk.

Structural and legal risks of ABS and MBS include the possibility that, in a bankruptcy or similar proceeding involving the originator or the servicer (often the same entity or its affiliates), a court having jurisdiction over the proceeding could determine that, because of the degree to which cash flows on the assets of the issuing vehicle may have been commingled with cash flows on the originator's other assets (or similar reasons), (i) the assets of the issuing vehicle could be treated as never having been truly sold by the originator to the issuing vehicle and could be substantively consolidated with those of the originator, or (ii) the transfer of such assets to the issuer could be voided as a fraudulent transfer. The time and expense related to a challenge of such a determination also could result in losses and/or delayed cash flows.

Whilst many of the ABS risks relate to the nature of the underlying personal individual credit risk (be they secured or unsecured (auto loan or credit card, respectively)), ABS can also be backed by corporate credit risk, such as aircraft lease securitisation. The performance of a securitisation backed by such collateral can be impacted by the factors affecting the underlying airlines, including but not limited to, sustained rising fuel prices, significant negative geopolitical events leading to flight disruption, including terrorism, conflict and pandemic.

Collateralised Loan Obligations ("CLOs") are securities backed by a portfolio of high yield debt and levered loans issued by corporations and managed by an asset manager, often part of a commercial banking operation. Such securities owned by a Client, if any, generally will fluctuate with, among other things, the financial condition of the underlying obligors or issuers of the underlying portfolio of assets (the corporations) of the related CLO. The underlying obligors or issuers will usually be rated below investment grade. The lower ratings of high yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest.

Collateralised Debt Obligations ("CDOs") are securities backed predominantly by a portfolio of below investment grade ABS and MBS. Such securities owned by a Client, if any, generally will fluctuate with, among other things, the financial condition and performance of the underlying ABS and MBS positions. The underlying ABS and MBS investments will usually be rated below investment grade. The lower ratings of such ABS and MBS securities reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest.

Certain strategies of the Adviser involve long or long-short credit strategies. Depending on the strategy mandate, Client accounts generally invest in credit-related assets across all levels of the capital structure, including, investments in distressed debt securities and other financial instruments, high yield and investment grade loans and bonds, structured credit and special situations. Investment in fixed-income and debt securities including without limitation ABS, RMBS, CMBS, investment grade corporate bonds, non-investment grade corporate bonds, loans, sovereign bonds and U.S. government debt securities and financial instruments that reference the price or interest rate associated with these fixed income securities subject a Client's portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. The Adviser may also invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. Most fixed income instruments trade in over-the-counter transactions and lack the benefit of transparent exchange pricing. Bid and asks for these instruments are generally wider than equity securities, and trading is less

frequent. These factors may cause distortions and/or volatility in the prices of fixed income-related instruments. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

A Client may invest in private debt securities and other similar instruments. The Client may invest in debt instruments that are unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments, including sovereign issuers, may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

A Client may invest in bonds or other fixed income securities, including without limitation "higher yielding" (including non-investment grade) debt securities. Such securities are generally not exchange traded and, as a result, these financial instruments trade in the over-the-counter marketplace, which is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. In addition, the Client may invest in bonds of issuers that do not have publicly-traded equity securities, making it more difficult to hedge the risks associated with such investments. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. High yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. High yield securities are generally more volatile and may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High yield securities may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities may be highly leveraged and may not have available to them more traditional methods of financing.

Swaps, options and other derivative instruments are subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty (including risks relating to the financial soundness and creditworthiness of the counterparty), legal risk and operations risk. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Adviser. Further, transactions in derivative instruments may not be undertaken on recognized exchanges, and will expose the Client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

Certain strategies may allow the Adviser to trade in options. Options are investments whose ultimate value is determined from the value of the underlying investment. The Adviser has typically engaged in the following types of option trading strategies: buying and selling of puts, calls, payers, and receivers, including as part of spread trades.

The Client may incur additional risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option, if applicable, may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause

the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

A Client may incur additional risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

A Client may enter into swap agreements and options on swap agreements ("swaptions"). These agreements can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. The Client, for instance, may enter into correlation swaps, variance swaps, volatility swaps or other swap agreements with respect to interest rates, credit defaults, currencies, securities, indexes of securities and other assets or other measures of risk or return. Depending on their structure, swap agreements may increase or decrease the Client's exposure to, for example, equity securities, long-term or short-term interest rates, foreign currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. The strategies are not limited to any particular form of swap agreement.

Whether a strategy's use of swap agreements or swaptions will be successful will depend on the Adviser's ability to select appropriate transactions for a Client. Swap transactions may be highly illiquid and may increase or decrease the volatility of the Client's portfolio. Moreover, the Client bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Client will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of the Client to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect a Client's ability to terminate swap transactions or to realise amounts to be received under such transactions.

In addition, a Client may, in the future, take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available. Special risks may apply in the future that cannot be determined at this time. The regulatory and tax environment for derivative instruments in which a Client may participate is evolving, and changes in the regulation or taxation of such financial instruments may have a material adverse effect on the Client.

A Client may acquire exposure to the risk of structured finance securities, debt securities and loans synthetically through products such as credit default swaps (including CDS and CDX contracts), total return swaps, credit linked notes, structured notes, trust certificates and other derivative instruments (each, a "Synthetic Asset").

A Synthetic Asset could take many forms, including a credit derivative transaction that references a structured finance security, debt security and loan or a credit derivative transaction that references a portfolio or index of corporate reference entities or a portfolio or index of reference obligations consisting of structured finance securities, debt securities, bonds or other financial instruments (each, a "Reference Obligation"). Exposure to such Reference Obligations through Synthetic Assets presents risks in addition to those resulting from direct purchases of the assets referenced. A Client will have a contractual relationship only with the synthetic asset counterparty, and not with the issuer(s) (the "Reference Entity") of the Reference Obligations unless a credit event occurs with respect to any such Reference Obligation, physical settlement applies and the synthetic asset counterparty delivers the Reference Obligation to the Client. Other than in the event of such delivery, the Client generally will have no right directly to enforce compliance by the Reference Entity with the terms of any such Reference Obligation and the Client will not have any rights of set-off against the Reference Entity. In addition, the Client generally will not have any voting or other consensual rights of ownership with respect to the Reference Obligation. The Client also will not directly benefit from any collateral supporting the Reference Obligation and will not have the benefit of the remedies that would normally be available to a holder of such Reference Obligation. The Client will be subject to the credit risk of the

synthetic asset counterparty, as well as that of the Reference Entity, as well as the documentation risk associated with these instruments.

In the event of the insolvency of the synthetic asset counterparty, the Client will be treated as a general creditor of such counterparty, and will not have any claim of title with respect to the Reference Obligation. Consequently, the Client will be subject to the credit risk of the synthetic asset counterparty, as well as that of the Reference Entity. As a result, concentrations of Synthetic Assets entered into with any one synthetic asset counterparty will subject such Synthetic Assets to an additional degree of risk with respect to defaults by such synthetic asset counterparty as well as by the respective Reference Entities.

While the Client expects that returns on a Synthetic Asset may reflect those of each related Reference Obligation, as a result of the terms of the Synthetic Asset and the assumption of the credit risk of the synthetic asset counterparty, a Synthetic Asset may have a different expected return, a different (and potentially greater) probability of default and different expected loss and recovery characteristics following a default.

The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, a Client may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Adviser's expectations or if equity markets generally move in a single direction and the Client has not hedged against such a general move. The Client also may be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale. Fluctuations can be dramatic over the short term as well as long term, and different parts of the market and different types of equity securities can react differently to these developments.

Unlisted securities may involve higher risks than listed securities. Because of the absence of any trading market for unlisted securities, it may take longer to liquidate, or it may not be possible to liquidate, positions in unlisted securities than would be the case for publicly traded securities. Companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

Restricted securities cannot be sold to the public without registration under the Securities Act. Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration (e.g., under Rule 144A of the Securities Act). Although these securities may be resold in privately negotiated transactions, because there is less liquidity for these securities, the prices realised from these sales could be less than those originally paid by the Client. Restricted securities may involve a high degree of business and financial risk which may result in substantial losses.

The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which a Client's positions trade or of its clearing houses or counterparties.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day, no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Client from promptly liquidating unfavourable positions and subject the Client to substantial losses or prevent it from entering into desired trades. In extraordinary circumstances, a futures exchange or regulator could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. The Adviser may engage in the trading of forward contracts, which are not traded on any exchange. Forward contracts are therefore not guaranteed by any exchange or clearinghouse and are subject to the creditworthiness of the counterparty of the trade. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors. The Adviser may trade forward contracts with only one or a few counterparties, which may create more liquidity problems than if such arrangements were made with numerous counterparties. The risk of market illiquidity or disruption could result in major losses.

A Client may invest in obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. These obligations are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court’s power to disallow, reduce, subordinate, recharacterize debt as equity or disenfranchise particular claims. Such companies’ obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Client’s investments in any financial instrument, and a significant portion of the obligations in which the Client invests may be less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that value of the assets, if any, collateralising a Client’s investments will be sufficient or that prospects for a successful reorganisation or similar action will become available. In any reorganisation or liquidation proceeding relating to a company in which a Client invests, the Client may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Occasionally, the Client may need to make a follow-up investment in an existing troubled position only in an attempt to protect the value of its initial investment. In addition, under certain circumstances, payments and distributions may be disgorged if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganisation, there exists the risk that the reorganisation either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Client of the security in respect to which such distribution was made.

Investments in unrated or low grade debt securities of distressed companies are subject to greater risk of loss of principal and interest than higher-rated debt securities. Distressed securities include those of a company currently in, or expected to be subject to, bankruptcy, restructuring, an operational turn-around or other similar events. There is substantial uncertainty concerning the outcome of transactions involving such issuers. In addition, evaluating credit risk for foreign debt securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

There are certain similarities between the risks associated with securities financing transactions (“SFTs”) and OTC derivatives including total return swaps (together, “Transactions”). To the extent not

mitigated by implementation of the Dodd-Frank Act and/or EMIR or collateral arrangements, if at all, the risks posed by such Transactions, which can be extremely complex and may involve leveraging of the Client's assets, include: (1) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (2) market risk (adverse movements in the price of a financial asset or commodity); (3) legal risks (the characterisation of a Transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could pre-empt otherwise enforceable contract rights); (4) operational risk (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risk (exposure to losses resulting from inadequate documentation); (6) liquidity risk (exposure to losses created by inability to prematurely terminate the Transaction); (7) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risk (the risk faced when one party to a Transaction has performed its obligations under a contract but has not yet received value from its counterparty).

For Transactions that are cleared through a clearing house, there is the additional risk that the clearing house may become insolvent or lack the financial resources to assure performance in the event of a clearing house member's default.

The Client may receive collateral from and may deliver collateral to a counterparty or broker (a "Counterparty") by way of title transfer or by way of security interest and, in certain circumstances, where the Client delivers collateral to a Counterparty, may grant a right of reuse of such collateral to such Counterparty. The treatment of such collateral will vary according to the type of Transaction and its contractual terms, the jurisdiction in which the Counterparty is located and the assets are traded, the legal status of the collateral and applicable law.

Where collateral is delivered by way of title transfer, the Client will be exposed to the creditworthiness of the Counterparty and, in the event of insolvency, the Client will rank as an unsecured creditor in relation to any amounts transferred as collateral in excess of the Client's exposure to the Counterparty.

Where assets are delivered pursuant to a security interest (to the extent not re-used) such assets should be protected from the insolvency of the Counterparty but subject to the Counterparty complying with its obligations pursuant to the terms of the agreement with the Client and applicable law.

Where the Counterparty exercises a right of use in respect of financial instruments provided to it by the Client as collateral, the Client's rights in respect of such financial instruments will be replaced by an unsecured contractual claim for delivery of equivalent financial instruments subject to the terms of the relevant arrangement. The relevant financial instruments will not be held by the Counterparty in accordance with Client asset rules or similar rights and so will not be segregated from the Counterparty's own assets or held on trust for the Client. In the event of the Counterparty's insolvency or default, the Client's claim for delivery of equivalent financial instruments will not be secured and will be subject to the terms of the relevant arrangement and applicable law and, accordingly, the Client may not receive such equivalent financial instruments or recover the full value of the financial instruments. Further, in the event that a resolution authority exercises its powers under any relevant resolution regime in relation to the Counterparty any rights the Client may have to take any action against the Counterparty, such as to terminate the relevant agreement, may be subject to a stay by the relevant resolution authority and/or the Client's claim for delivery of equivalent financial instruments may be reduced (in part or in full) or converted into equity and/or a transfer of assets or liabilities may result in the Client's claim being transferred to different entities.

Where collateral is held by a custodian, on the insolvency or default of the custodian the relevant financial instruments should, subject to the terms of the relevant agreement and applicable law, be unavailable to its general creditors. However, in the event of an irreconcilable shortfall following the default of a custodian the Client may share in that shortfall proportionately with the custodian's other customers.

Collateral arrangements may be subject to a number of operational risks, including the failure of the Client to call for collateral where it is entitled to do so, the failure of the Counterparty to call for the correct amount of collateral or failure to redeliver any excess collateral and settlement failures.

In the event that a Client attempts to realise collateral following the default by a Counterparty, there may be no or limited liquidity or other restrictions in respect of the relevant collateral and any realisation proceeds may not be sufficient to off-set the Client's exposure to the Counterparty and the Client may not recover any shortfall.

In relation to an SFT, a Client may enter into repurchase and reverse repurchase transactions or buy-sell back or sell-buy back transactions. When the Client enters into a repurchase agreement or a sell-buy back transaction, it effectively "sells" the securities to a counterparty (such as a financial institution), and agrees to repurchase such securities on a mutually agreed date for the price paid by the counterparty, plus interest at a negotiated rate. In a reverse repurchase or a buy-sell back transaction, the Client "buys" securities from a counterparty, subject to the obligation of the counterparty to repurchase such securities at the price paid by the Client, plus interest at a negotiated rate. Repurchase, reverse repurchase and sell-buy back or buy-sell back transactions by the Client involve certain risks. For example, if the seller of securities to the Client under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Client will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the Client's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Client may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Client may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. One or more of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

The Adviser may invest in cryptocurrencies as well as digital tokens, coins or similar assets that are issued in respect of certain blockchain initiatives (collectively, "Digital Assets"). Ongoing and future regulatory actions by U.S. and foreign jurisdictions may have a materially adverse effect on the value of Digital Assets. For example, future regulatory actions or policies may limit the ability to exchange Digital Assets or utilize them for payments. Many Digital Assets operate using a "private key," which are a randomized set of numbers and/or letters that are similar to a password. The loss of a private key would lead to a complete loss of access to the corresponding Digital Assets. Digital Assets are an appealing target to hackers or malware distributors seeking to destroy, damage or steal Digital Assets. Digital Assets held in accounts at Digital Asset exchanges are not deposit accounts and these accounts are not insured by the Federal Deposit Insurance Corporation.

ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds or other instruments, which are designed to generally correspond to the price and yield performance of an underlying index. A primary risk factor relating to ETFs is that the general level of stock or bond prices may decline, thus affecting the value of an equity or fixed income ETF, respectively. An ETF may also be adversely affected by the performance of the specific sector or group of industries on which it is based. Moreover, although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their underlying indices, ETFs may not be able to exactly replicate the performance of the indices because of various sources of tracking error, including their expenses and a number of other factors.

Certain strategies may be exposed to REITs on a long or short basis. Exposures to REITs are affected by underlying real estate values, which may have an exaggerated effect to the extent that REITs in which the Adviser invests concentrate investments in particular geographic regions or property types. Investments in REITs are also subject to the risk of interest rate volatility. Further, rising interest rates will cause investors in REITs to demand a higher annual yield from future distributions, which will in turn

decrease market prices for equity securities issued by REITs. REITs are subject to risks inherent in operating and financing a limited number of projects because they are dependent upon specialized management skills, and have limited diversification. REITS depend generally on their ability to generate cash flow to make distributions to investors.

Item 9. Disciplinary Information

The Adviser has no legal or disciplinary events that are material to a Client's or prospective Client's evaluation of the Adviser's advisory business or the integrity of its management.

A. *Criminal or Civil Actions*

Not applicable

B. *Administrative Proceedings Before Regulatory Authorities*

Not applicable.

C. *Self-Regulatory Organization (SRO) Proceedings*

Not applicable.

Item 10. Other Financial Industry Activities and Affiliations**A. Broker-Dealer Registration Status**

Not applicable.

B. Commodities-Related Registration

Not applicable.

C. Material Relationships or Arrangements with Industry Participants

The Adviser does not receive compensation directly or indirectly or maintain a business relationship with any third party that creates a material conflict of interest.

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

Related persons of the Adviser act as general partner to pooled investment vehicles.

The Adviser or its affiliates may provide certain administrative services related to the support of the Managed Accounts for fees. Affiliates of the Adviser may have relationships with, and provide certain services to a Client for which the Adviser receives compensation.

The Adviser's Chief Compliance Officer acts as a non-executive director, or in relation to limited partnerships, as non-executive director to the relevant partnership's general partner. Any conflicts inherent in this relationship are primarily managed by (1) the utilization of one or more (and generally two) non-executive directors who are independent of the Adviser; (2) the general obligations of corporate law binding on any director relating to duties of independence, notification of director interests, and duties to abstain; and (3) disclosure of the relevant director's status in the Fund's Governing Documents.

The Adviser, or its affiliates (including the relevant general partner), may have shareholdings or partnership interests in the relevant fund entity, including as part of its management and performance fee arrangements. Underlying Investors generally view investment by the Adviser, its affiliates and staff as an alignment of interests. As set out above, management and performance or incentive fee arrangements are disclosed in the Client's Governing Document Documents.

In accordance with common industry practice, the Adviser or a Fund's general partner, managing member, investment adviser, sub-adviser, or manager, and/or persons that may be affiliated with such entities, may solely, or jointly enter into "side letters," or similar agreements pursuant to which certain prospective or existing Underlying Investors are granted specific rights, benefits, or privileges (including, without limitation, with respect to differences, including discounts to, waiver of and/or sharing of, management fees, performance allocations, performance hurdles, withdrawals, access to information, minimum investment amounts, reporting obligations, rights to make future investments in the Fund, other investment vehicles or managed accounts, redemption rights, including those related to frequency or notice; waiver of redemption penalties and other rights or terms including those that may be requested in light of particular investment, legal, regulatory or public policy characteristics of an Underlying Investor). These rights, benefits or privileges are not always made available to all Underlying Investors (for instance where they are non-material) nor in some cases are they required to be disclosed to all Underlying Investors. The disclosure and extension of any such rights, benefits or privileges are governed by the corresponding Governing Documents. The modifications are solely at the discretion of the Adviser or Fund and may, among other things, be based on the size of the Underlying Investor's investment in a Fund, an agreement by the Underlying Investor to maintain such investment in a Fund for a significant period of time, or other similar commitment by an Underlying Investor to a Fund.

Additional information regarding the foregoing relationships, fees, and any other actual or potential conflicts of interest arising therefrom are disclosed in the respective Fund's Governing Documents.

D. Material Conflicts of Interest Relating to Other Investment Advisers

Not applicable.

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

A. *Code of Ethics*

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its supervised persons to put the interests of the Adviser’s Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients.

Clients or prospective Clients may obtain a copy of the Code by contacting the Adviser’s Chief Compliance Officer by email at compliance@eastlodgecapital.com.

In addition to compliance with the Adviser’s policies and procedures, all of the Adviser’s personnel are required to comply with applicable federal securities laws. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by the Adviser’s supervised persons.

The Adviser and its supervised persons may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of the Adviser. The Adviser has adopted policies and procedures governing gifts and business entertainment, which includes a quarterly report by staff of gifts and business entertainment in excess of certain de minimis thresholds and pre-clearance by the Chief Compliance Officer prior to giving/receiving gifts above a certain de minimis threshold.

The Adviser, or its related persons, in the course of their investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of Clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to its Clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Client or using such information for the Client’s benefit. In such circumstances, the Adviser will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that the Adviser possesses such information), or not using such information for the Client’s benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

B. *Client Transactions in Securities where Adviser or a Related Person has a Material Financial Interest*

Cross Trades

While the Adviser generally does not conduct cross trades, there may be limited circumstance as described below, when the Adviser will undertake a cross trade between two Clients. Any such cross transaction would be conducted in accordance with, and subject to, any applicable laws and the Adviser’s fiduciary obligations to each client. Situations at times arise where it would be necessary or appropriate to transfer certain assets held by one or more Clients, including for the purpose of rebalancing the portfolios of such entities. For example, the Governing Documents of certain Clients could contemplate periodic transactions between a Client which is a Fund and its parallel funds for the purpose of maintaining alignment of such funds, and it should be understood that such permitted transactions may occur as and when warranted, subject to the requirements of the applicable Governing Documents. In addition, the Adviser at times will restructure the form of legal ownership of an investment, e.g., from direct ownership to participation or indirect ownership through a shared subsidiary (such as an upstream or downstream investment entities, trading subsidiaries or investment vehicles), which restructuring is not intended to result in a change in the level of beneficial ownership.

In addition, the Adviser from time to time has caused and may in the future cause a Client to enter into a back-to-back, contribution, indemnification or similar agreement with another Client to ensure that each Client assumes its pro rata share of any obligation, including in circumstances where they may share indirect ownership of an investment through a shared subsidiary or investment vehicle.

However, the Adviser may be unable to exit an investment during the standard life of a Client, or it may believe that it would be suboptimal to exit during that time, for example, because it believes that the investment has not reached an appropriate level of maturity or it still holds potential future upside. This could include, but is not limited to, a company for which a turnaround has not been completed, one that is not in the right part of the curve of a longer industry cycle, or one for which there is still a meaningful amount of value creation that can be done or future growth that is expected to occur. With respect to any investment that the Adviser does not believe it would be advisable to exit before the end of the life of the relevant Client, it is possible that the Adviser would determine that a compelling approach is to sell an investment from such Client to another Client. For example, a Client could acquire from, or sell to the Adviser, a service provider as an investment or participate alongside the Adviser or another Client in the acquisition of a service provider, after determining the appropriate valuation at which such transaction should occur. In addition, before entering into any transaction with respect to any such service provider, it is anticipated that the Adviser will obtain any consents that may be required under the Advisers Act or other applicable laws or regulations. In addition, the Adviser might also consider other possible solutions, such as the creation of a separate vehicle to hold long-horizon assets, if permitted by, and subject to, any restrictions and requirements set forth in the applicable Client's Governing Documents or Advisory Agreement, as the case may be, including but not limited to, obtaining any investor consent if required thereby. In addition, in assessing legal, tax, regulatory, accounting and similar considerations that may impact allocation decisions, the Adviser may determine that, for a Client after its investment period, particularly as it approaches the end of its term (including those Clients whose terms have been extended) or Clients in windup, it would not be appropriate to allocate one or more follow-on investments to such Client, even if other Clients do make such follow-on investment(s).

Moreover, while the Adviser generally seeks to use reasonable efforts to avoid cross-guarantees and other similar arrangements, it is possible that a counterparty, lender or other unaffiliated participant in such transaction requires or desires to transact with only one fund entity or group of entities, which may result in (i) any of the Clients being solely liable with respect to its own and another Clients' or vehicles' share of the applicable obligation and / or (ii) any of the Clients being jointly and severally liable for the full amount of such applicable obligation. Furthermore, as a result of any incurrence of indebtedness on a joint and several or cross-collateralized basis, a Client may be required to contribute amounts in excess of its pro rata share, including additional capital to make up for any shortfall if another Client is unable to repay its pro rata share of such indebtedness. may result in such Clients entering into, participating in or applying a back-to-back or other similar reimbursement arrangement (and in most circumstances, especially where there are back-to-back or other similar reimbursement obligations, a Client would not be compensated (or provide compensation to the other) for being primarily liable to, contributing amounts in excess of its pro rata share to, or otherwise directly contracting with such counterparty, lender or other unaffiliated participant), which also could include provisions intended to mitigate certain impacts that may arise with respect to the Client that is the primary obligor (e.g., any reduction in the borrowing base of the Client that is the primary obligor attributable to credit support attributable to one or more other Clients that are indirect obligors) relating to a reduction in borrowing base under such Client's subscription facility. If a Client enters into any such arrangements with one or more other Clients, such Client will be subject to the counterparty risk of such other Clients involved, including, without limitation, the risk of a default or delay in the performance of such other Clients' obligations. In addition, even where a Client incurs primary liability and other Clients participate in such obligation by virtue of sharing arrangements, a portion of any guarantee or other similar fees paid to a Client would likely be shared with the applicable other Clients, despite the incremental risk taken on by such Client. The foregoing arrangements will arise in connection with co-investments, in particular where a counterparty will only transact with a single entity resulting in a Client having to enter into back-to-back arrangements with co-investors.

Principal Transactions

The Adviser generally does not engage in principal transactions. To the extent that cross trades or other transactions with a Client are viewed as principal transactions due to the ownership interest in a client

by the Adviser or its personnel, the Adviser would effect such transaction only if the Adviser were to first determine that such trade is in the best interests of the affected Clients and then only in compliance with the requirements of Section 206(3) of the Advisers Act or similar applicable law, and the Governing Documents of the affected Clients, including obtaining any required informed consents.

C. Investing in Securities Recommended to Clients

Where approved, the Adviser requires its supervised persons to aggregate their personal trades in a security with Client trades in the same security on the same day. In addition, the Adviser's Code prohibits the Adviser or its supervised persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser's supervised persons are required to disclose their securities transactions on a quarterly basis. In addition, the Adviser's supervised persons are required to disclose the holdings in their personal accounts upon commencement of employment with the Adviser and on an annual basis thereafter. The Adviser's supervised persons are required to provide quarterly certification of transactions in which they engage. The Adviser's supervised persons are also required to provide at least quarterly brokerage statements. Trading in the personal accounts of the Adviser's supervised persons is reviewed by the Chief Compliance Officer and compared with transactions for Client accounts and reviewed against the restricted securities list.

The Adviser, its affiliates and its employees, sometimes are permitted to invest on behalf of themselves or through family investment entities or similar accounts that they control or as to which they are the primary beneficiary in securities and other instruments that would be appropriate for, held by, or fall within the investment guidelines of Clients, or may give advice or take action for their own accounts or through family investment entities or similar accounts that they control or as to which they are the primary beneficiary (including family offices or family investment mandates) that may differ from or conflict with advice given or action taken for Clients. These activities could adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Clients. Potential conflicts also could arise due to the fact that the Adviser and its personnel have investments in some Clients but not in others or have different levels of investments in and participation with respect to the various Clients.

In relation to certain transactions undertaken by Clients, Underlying Investors in the Clients may seek or require the Adviser, its staff, or its related persons (including any general partner) to make a minority investment in the same securities related to the transaction on a "skin in the game" basis. Any such holdings are notified to Underlying Investors and Managed Account clients in the relevant transaction, and are registered with the Adviser's Chief Compliance Officer.

Please refer to Item 17 for further information regarding the Adviser's proxy voting policy and procedures.

D. Conflicts of Interest Created by Contemporaneous Trading of Clients; Allocation Policies

The Adviser manages investments on behalf of a number of Clients. These Clients have investment programs that are similar or overlap and may, therefore, participate with each other in investments. This means that the Adviser or a related person may from time to time recommend securities to Clients, or buy or sell securities for Client accounts, at or about the same time that the Adviser or related person buys or sells the same securities for its own account. For instance, as discussed above in Item 11.B, in certain circumstances a Client may cross trade a given security with another Client, a Client may invest alongside another Client, and supervised persons and related persons may invest alongside other Clients, either in relation to commercial requirements by Underlying Investors—for instance "skin in the game", or on a discretionary basis. Any conflicts arising from this are managed in line with the Adviser's cross trading policy, allocation policy, or personal account dealing policies in place at the relevant time.

As the Adviser primarily focuses on a narrow set of strategies, there is likely to be significant overlap of positions across the Clients.

It is the policy of the Adviser to allocate investment opportunities on a basis that the Adviser believes in good faith to be fair and equitable and in accordance with its allocation policy in place at the time of allocation, applicable laws, rules and regulations and the provisions of any applicable operating agreements of the Clients, as well as disclosures provided to Clients, and taking into account the considerations more fully described below. Allocation to a particular Client is not based on the amount or structure of fees for the relevant Client.

In general, allocations of new investment opportunities, including with respect to dispositions of investments, will be made primarily on the basis of the following factors:

- Allocation will generally be made pro rata based on the capacity of each Client for assets of the type being acquired and supported by the Adviser's allocation tool, which calculates the pro rata allocations of each new acquisition based on the net asset value, target leverage and sector diversification targets determined by the Adviser;
- When taking short positions and/or selling holdings the allocation approach will generally be as follows: pro-rata by size of Client for outright short positions (subject to mandate); pro-rata to the size of exposure being hedged in the case of hedge trades; and pro-rata to the size of exposure when selling assets held across more than one Client, unless the sale is to rebalance a particular Client or to accommodate redemptions rather than as a result of credit concerns (for example, where a Client is required to reduce exposure to a greater extent than other Clients managed or advised by the Adviser, for instance due to Underlying Investor redemptions, its allocation in relation to the disposition would be greater than its pro rata allocation would otherwise have been); and
- Allocation must be done in a manner that is not to the overall disadvantage of any Client.

The Adviser's allocation tool does not allocate hedging transactions, and these are not allocated on a pro rata basis, as the availability of hedging is dependent on which counterparties the Client has trading relationships with, the underlying terms of the specific counterparty's trading agreements, as well as the counterparty's commercial views of its existing credit exposure, Client cash levels and credit risk. This means initial margin and variation margin, or their equivalents, and trading capacity vary significantly from Client to Client requiring bespoke allocation.

In relation to certain Clients with managed account mandates, Underlying Investors or their investment advisers may hold investment discretion, or investment veto rights based on their re-underwrite of a potential investment. In these cases the Adviser takes into account feedback received and incorporates it into its allocation decision on an override basis.

It is the policy of the Adviser to allocate investment opportunities (including with respect to acquisitions and dispositions of investments) in a manner it deems to be equitable. The Adviser is permitted to allocate such opportunities in a different manner to that of the allocation tool where deemed equitable by the Adviser, taking into account, for each of the Clients, among other considerations:

- the desired position size of each Client, keeping in mind existing positions in the same or related securities;
- the current levels of capacity, time horizons, liquidity and the potential for reduced liquidity in the future;
- liquidity needs and the timing of capital inflows and outflows of the account (including whether investors have the opportunity to withdraw or redeem some or all of their investment from such account and the capacity to designate opportunities as special investments);
- the capital available within each Client with regard to the probable volume of the order and price, together with leverage, outflows and inflows reasonably anticipated within the near term of the trade date. For the avoidance of doubt, such inflows shall be taken into account for the purposes of allocations on the relevant trade date but shall not result in any re-allocation as and when such inflows materialize;
- compliance with the investment guidelines and restrictions in place for each Client, ensuring that no position may result in a breach of permitted diversification or concentration thresholds;
- whether a pro rata allocation will result in too large a concentration (for example industry, currency or geography) for any particular Client;
- any tax, regulatory or legal considerations including without limitation:
 - tax efficiencies and potential adverse tax consequences to the Clients and their limited partners;

- regulatory restrictions or contractual or similar requirements that would or could limit an account's ability to participate in a proposed investment, including whether a Client has been cleared to transact by or with another counterparty;
- any amounts required to be set aside in respect of appropriate reserves and contingencies;
- redemption/withdrawal requests from the Clients and anticipated future contributions in the Clients (and lifecycle considerations such as a Client's "ramp up," harvest or liquidation period and the proximity of a Client to the end of its specified term);
- proximity of a Client to the end of its specified investment period or term and the anticipated holding period;
- the size of the proposed investment (also considering the intended or anticipated future size) and relative amounts of available capital of the Clients (which in the context of the Clients will reflect varying approaches with respect to the availability and use of leverage);
- investment strategies involving paired investments (including stapled instruments that may or may not remain paired);
- rounding considerations and / or the avoidance of odd-lots or cases when a pro rata allocation would result in a de minimis allocation to one or more of the Clients;
- hedging and derivative considerations, including how hedging strategy can be applied, the availability of ISDA agreements and the manner in which positions may be unwound or novated with one or more counterparties; and
- the management of any actual or potential conflict of interest.

In some cases, observation of and allocation in accordance with the considerations above may affect adversely the price paid or received by a Client, or the size of the position purchased or sold by a Client.

The Adviser expects in future to manage and advise Clients which are structured as closed-ended funds (which in certain cases may have one or more successor funds), each with a designated investment period, harvest period and termination date, and funds that are open-ended. As noted above in this Item 11, among the reasons that allocations may not be made ratably among Clients that pursue the same investment strategy are lifecycle and structural differences among the Clients, which can impact the ability of a Client to transact directly with counterparties. From time to time a Client in its harvest period will not add to a position or will reduce a position at a time when other Clients that are actively investing do add to or maintain a position. In addition, for open-ended Clients that retain cash, and also are subject to capital activity (whether in the form of subscriptions or redemptions), from time to time an investment opportunity will arise that the Adviser determines is a suitable investment for such Client and not other Clients. Managing the ramp-up, investment and harvest process will from time to time result in allocations that are not ratable or arrangements with counterparties that involve one or more Clients being a direct party to a transaction while others participate in such transaction through other arrangements that are intended to apportion rights and obligations in an effort to achieve parity among the participants. Even with such measures, differences can remain, for example, by virtue of each participant's unique profile (including its credit terms, credit quality and cost of capital). See also Item 11.B above in relation to cross trades.

The Adviser may structure an investment as a result of which one or more Client investing in a particular part of a capital structure may have an opportunity to participate in another part of a capital structure allocated to another Client. Additionally, a Client may purchase investments in which another Client already has an interest, and may do so at different points in time. The Adviser would owe a fiduciary duty to each such Client, and the Adviser may, in certain instances, face a conflict of interest in respect of decisions made with regard to such Clients (e.g., with respect to the terms of an investment, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

As discussed in Item 11.C, the Adviser and its employees (on behalf of themselves or through family investment vehicles or similar accounts that they control or as to which they are the primary beneficiary) may purchase or sell securities on their own behalf. While the Adviser has policies regarding these activities, it is possible that these activities could adversely affect the prices and availability of other instruments held by or potentially considered for the Clients. Potential conflicts also could arise due to the fact that the Adviser and its personnel may have investments in some Clients but not in others or have different levels of investment in or participation with respect to the other Clients. As the Adviser's related persons may, and currently do, invest in the Clients and, in certain cases, may, in the aggregate, hold a substantial portion of the Client's assets. Such investments pose a risk that the Adviser or

individuals who are in a position to control the allocation of investment opportunities to the Adviser's Client accounts will favor those Clients in which the Adviser's related persons invest, particularly in the case of limited opportunities (such as initial public offerings and private placements) or other investments that are otherwise subject to limited capacity. The Adviser's procedures require the objective allocation for limited opportunities to ensure fair allocation among accounts. The Adviser's related persons have access to information that is not available to other Underlying Investors in such Clients. Although the Adviser generally will seek to notify Underlying Investors of material information, in some cases there may be a timing mismatch or such information may not be shared, including, without limitation, where an Underlying Investor is unwilling or unable to 'wall-cross' in relation to such information.

Likewise, a Client, for example, may make an investment at the same time that one or more of the other Clients is disposing of the same or a similar investment. The Clients may make an investment in a position which is already held by one or more of the other Clients or a position that is subordinated or senior to or otherwise adverse to a position held by one or more of the other Clients. Additionally, the Clients may have different term lengths and / or investment objectives (including return profiles) and the Adviser, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities of any such investment. The Adviser has the authority to take various measures to reduce or otherwise mitigate this potential conflict, such as not initiating votes or abstaining from voting, not sitting on boards of directors and / or other committees (including creditor committees), divesting itself of an investment it might otherwise have continued to hold, potentially resulting in losses or lower profits, or consulting with the Client's advisory or independent committee or another third party.

It is possible that the activities or strategies used for some of the Clients could conflict with the activities and strategies employed in managing the assets of other Clients and affect the prices and availability of the Instruments in which the Clients invest. It has at times been the case and may in the future be the case that certain Clients may invest in securities or instruments of publicly traded or private companies that are actual or potential investments of other Clients. The trading activities of one Client will at times differ from or be inconsistent with activities which are undertaken for the account of another Client in such Instruments or related Instruments, including as a result of the facts and circumstances described herein. In addition, a Client will in certain circumstances not pursue an investment as a result of such investing or trading activities by other Clients.

Where the Adviser personnel are appointed to serve on the board of directors (or other similar committees or bodies) of the Client or any entity in which a Client has invested (including downstream entities of the Client), then such personnel are subject to fiduciary duties or other similar obligations to such entities and or their other respective constituents. While the Adviser personnel would generally assume such positions in order to promote the interests of the Clients, the Adviser may not be able to put the interests of the Clients ahead of the interests of such companies or constituents and / or it is possible that the Adviser will be unable to take certain actions in respect of the Clients, or the Adviser's personnel would be unable to take certain actions as appointee (for instance, such appointee may not be able to exercise their voting rights or otherwise participate in decision making), that in each case they otherwise would have taken but for such appointment.

With respect to companies more generally, it is also possible that such companies (or subsidiaries thereof), or portfolio companies (or subsidiaries thereof) of a Client engage in investing activities that are similar or related to the investing activities of other Clients. In such cases (and even in cases where a company engaged in an operating business is contemplating a strategic transaction), a Client or the Adviser expects at times to come into possession of non-public confidential information or otherwise become bound by confidentiality, standstill or other obligations. While the Adviser has policies in place to minimize these instances, it is possible that the activities of and information within a company will result in a Client being required to forgo certain investment or divestment activity and otherwise restrict the ability of such Client to engage in certain activities that would not be prohibited but for such relationships. For example, from time to time, the Adviser expects to, for a variety of reasons including, without limitation, when employees of the Adviser sit on advisory boards of portfolio companies controlled by certain Clients, come into possession of material, non-public or price-sensitive information, and such information may limit the ability of other Clients to buy and sell investments. Additionally, from time to time, the Adviser will decide, for compliance and similar reasons, to restrict its ability to buy and sell Instruments in light of information received or otherwise. Even if disclosure of such information to the Adviser's personnel responsible for the affairs of a Client does not occur, such Client as a general matter would not be free to act upon any such information. Due to these restrictions and / or contractual

restrictions imposed on the Adviser in connection with the management of a Client, other Clients may not be able to initiate a transaction that they otherwise might have initiated and would not be able to sell an investment that they otherwise might have sold.

In workout situations involving multiple Clients, decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interest. If additional capital is necessary as a result of financial or other difficulties, a Client may or may not provide such additional capital as the Adviser determines in its sole discretion. Underlying Investors may also depending on the Governing Document of a Client, have discretionary rights as to any time extensions relating to the maturity of an investment, and there may be no consensus as to whether to extend. A Client at times could be in a position where it has an interest in structuring debt instruments that have financial terms (such as interest rates, repayment terms, seniority, covenants and events of default) that are more restrictive than the terms that other Clients would seek to negotiate. In addition, it is possible that in a bankruptcy proceeding the interest of a Client will be subordinated or otherwise adversely affected by virtue of the other Clients' involvement and actions relating to their investment. In connection with negotiating loans and bank financings in respect of the Adviser-sponsored private credit transactions, the Adviser may obtain the right to participate on its own behalf (or on behalf of vehicles or accounts that it manages) in a portion of the loans or financings with respect to such the Adviser-sponsored private credit transactions on an agreed-upon set of terms. In addition, certain Clients in some cases own a significant or controlling percentage of the common equity of portfolio companies, which, depending upon the amount of equity owned by them, any relevant contractual arrangements between such portfolio company and the participating Clients, and other relevant factual circumstances, could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to the Clients and / or subordination of its claims to other creditors and / or recharacterization of debt claims into equity claims. The Adviser will seek to resolve such conflicts of interest in a fair and equitable manner. Conflict resolution may result in a Client receiving more or less consideration than such Client may have otherwise received in the absence of such a conflict of interest.

The Adviser receives or obtains various kinds of data and information from the Clients in relation to investments, including data and information from investees relating to business operations, trends, budgets, customers and other metrics. The Adviser may enter into information sharing and use arrangements (for instance non-disclosure agreements, or data protection agreements) with the Clients and investees, related parties and service providers, which may give the Adviser access to (and rights regarding) data that it would not otherwise obtain in the ordinary course. Equally, historic investments made by one or more Clients, or the establishment by one Client of a downstream entity capable of receiving investment from multiple Clients, may result in future opportunities that are available to one or more other Clients, by virtue of, among other things, the nature of such opportunities, the availability of such a downstream entity, the Clients' respective investment programs and investment horizons, legal, tax and other similar considerations, regulatory changes and other unique circumstances. The research and diligence process applied to the sourcing and execution of one or more specific investments has benefits that can extend to other investments, while the associated expenses and other resources often arise or are applied at the time of the original investment. The sharing and use of data and other information presents potential conflicts of interest and any benefits received by the Adviser or its personnel (including fees (in cash or kind), costs and expenses) will not be shared with the Clients or Underlying Investors. As a result, the Adviser may have an incentive to pursue investments that have data and information that can be utilized in a manner that benefits persons other than the Clients that originally contemplated such investments.

Policies and procedures implemented by the Adviser from time to time (including as may be implemented in the future) to mitigate actual or potential conflicts of interest and address certain regulatory requirements and contractual restrictions could at times reduce the synergies across the Adviser's areas of operation or experience that the Clients expect to draw on for purposes of pursuing attractive investment opportunities. The Adviser is subject to a number of actual and potential conflicts of interest, additional regulatory considerations and more legal and contractual restrictions than it otherwise would be subject to if it focused only on a single Client and / or if it did not pursue a combination of private equity, credit and real estate-related investments. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, the Adviser has implemented and may in the future implement certain policies and procedures (such as, for example,

information walls) that could reduce the positive synergies that the Clients expect to utilize for purposes of finding attractive investments. In that regard, it is possible that in the future the Adviser will establish information barriers or other forms of separation between certain professionals, such as those who are primarily involved in trading marketable securities or liquid instruments or distressed investments, on the one hand, and other professionals, such as others who are primarily involved in privately negotiated or illiquid investments, on the other, and in any such event it is possible that the Client will not be able to avail itself of the full resources of the Adviser. Such information barriers or other forms of separation between certain professionals may cause certain personnel to not have access to material non-public information in the possession of other the Adviser personnel which might be relevant to an investment decision to be made by the Clients, and the Clients may initiate a transaction or sell an investment which, if such information had been known to it, may not have been undertaken. There can be no assurance that walling off procedures can be implemented efficiently or successfully in all cases.

While investment opportunities may be allocated among the Clients, investors in one Client may have more favorable liquidity terms than investors in another Client. This may lead to a mismatch in any initial allocation of the investment opportunity or subsequent allocation of a divestment or further investment opportunity between Clients at such time.

The Adviser may also from time to time offer co-investments to third-party investors, based on, among other factors determined by the Adviser in good faith, strategic reasons, as further described in Item 4. In the event that one or more Co-Investors or other Clients invest side-by-side with the Client in Instruments and any such Co-Investor or other Client defaults on its obligations with respect to such investment, it is possible that any liability accruing as a result of such default will be borne by that Client in excess of that Client's pro rata portion (based on the amount initially invested or intended to be invested in such investment) of such investment.

In order to facilitate the acquisition or financing of an investment, to the extent permitted under its Governing Documents, each Client has the authority to make (or commit to make) an investment that exceeds the desired amount with a view to disposing all or a portion of such investment to co-investors or other persons prior to or after the closing of the transaction. In addition, subject to the terms of the applicable Client's Governing Documents or Advisory Agreements as the case may be, a Client may borrow to fund the portion of an investment that it intends to sell to any such co-investors or other persons. The Adviser will determine the terms and conditions and the price at which any such transaction will be effected, which determination, with respect to price, may reflect the original cost basis (with or without any incremental amount such as interest or cost of carry) or be at the fair value of such investment (or portion thereof) as of the date of such sale. The methodology for how the Adviser will determine fair value is described in the applicable Client's Governing Documents. In the event of any such "sell-down," the Clients will bear the risk that the transaction will not be consummated, or that any or all of the excess portion of such investment cannot be sold or can only be sold on unattractive terms and that, as a consequence, the Clients will bear the entire portion of any break-up fee or other fees, costs and expenses related to such transaction, and hold a larger than expected portion of such investment or realize lower than expected returns from such investment.

The Adviser is entitled to different amounts of management fees or other performance-based compensation from the Clients. As a result, the Adviser may be incentivized to favor those Clients in which they have the potential to receive more management fees or performance-based compensation. Additionally, the Adviser may be incentivized to allocate more time, effort and resources to a Client that is at a different stage in its marketing or investment horizon, or by virtue of obligations under the Governing Documents or Advisory Agreement of a Client, allocate more time to such Client. Please also refer to the discussion in Item 6.

As the Adviser's business continues to evolve over time, it can be expected that the Adviser and its staff would in the future engage in activities that result in conflicts of interest not addressed herein. There can be no assurance that the Adviser will identify all conflicts of interest, or that it will resolve identified conflicts in a manner that is favorable to the Clients.

Item 12. Brokerage Practices

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

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include, but are not limited to, reputation, financial strength and stability, creditworthiness, efficiency of execution and error resolution, the actual executed price and the commission, research (including economic forecasts, fundamental and technical advice on securities, valuation advice on market analysis); custodial and other services provided for the enhancement of the Adviser's portfolio management capabilities; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; and the operational facilities of the brokers and/or dealers involved (including back office efficiency). In selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a Client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's Operational Risk Committee and portfolio managers meet regularly to evaluate the broker-dealers used by the Adviser to execute Client trades using the foregoing factors.

As noted previously, unless restricted by mandate, the Adviser has full discretionary authority to manage Clients, including authority to make decisions with respect to which investments are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

Portfolio transactions for Clients are allocated to brokers and dealers on the basis of seeking best execution and in consideration of the Adviser's assessment of factors such as such broker's or dealer's ability to effect such transactions, and its resources, responsiveness and reliability, market or product knowledge, market standing, integrity and financial responsibility. Accordingly, the commissions and other transaction costs (which may include dealer markups or markdowns) charged to the Clients by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such products or services.

Subject to the considerations described above, the selection of a broker (including a prime broker) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services may be influenced by, among other things, the provision by the broker of the following: consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow. Generally, neither the Adviser, nor the Clients intend to separately compensate any broker for any of these other services.

B. Research and Other Soft Dollar Benefits.

The Adviser is required to assess the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and

services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

As a matter of general policy, the Adviser does not participate in soft dollar arrangements.

The Adviser policies prohibit it from accepting non-monetary benefits from a third party that relate to the provision of portfolio management to a Client unless they are acceptable minor non-monetary benefits or certain third-party research (see below). Research bundled into transaction costs has been identified as amounting to a material inducement by European regulators and is prohibited. Consequent to the implementation of the Markets in Financial Instruments Directive (2004/39/EC) ("MiFID II") in January 2018, the Adviser has elected to pay for research from its own resources rather than using a research payment account ("RPA"). The Adviser therefore pays directly for any products deemed to be "investment research" pursuant to MiFID II, although in the future the Adviser may determine to use an RPA for this purpose as permitted by MiFID II.

Third party research (other than research that has been identified as an acceptable minor non-monetary benefit) is not considered to be an inducement only where it is received in return for direct payments made by the Adviser out of its own resources or via payments from a separate RPA controlled by the Adviser on behalf of its Clients.

All materials and services received by the Adviser from a third party must be assessed against the criteria set out in this policy to determine whether each can be considered an acceptable minor non-monetary benefit, research or otherwise. It is not acceptable to receive research for free unless an assessment has taken place which confirms that the research received is considered to be an acceptable minor non-monetary benefit or, otherwise, as part of a trial or test period (although this is subject to restrictions and must first be approved by Compliance).

The Adviser considers research to be any material or services received from a third party which concerns one or more financial instruments, assets, issuers of financial instruments or a specific industry or market in a way that informs views on financial instruments, assets or issuers within that sector. Additionally, to be considered research, the material or services must recommend or suggest (implicitly or explicitly) an investment strategy and provide a substantiated opinion on the present or future value/price of financial instruments or contain analysis and original insights which reach conclusions which can be used to inform a specific strategy and can add value to the Adviser's investment decisions. This includes written research; analyst calls and meetings. Examples of goods and services that would not be considered as research (without limitation):

- post-trade analytics;
- price feeds or historical price data that have not been analysed or manipulated in order to present the Firm with meaningful conclusions;
- services relating to the valuation or performance measurement of portfolios;
- seminar fees;
- corporate access services;
- subscriptions for publications;
- travel, accommodation or entertainment costs;
- order and execution management systems;
- membership fees to professional associations;
- direct money payments; and
- administration of an RPA.

Communications between East Lodge's traders and third party counterparties in the context of seeking market information to immediately execute an order, for example on available liquidity or recently traded prices, would not be considered as research as they are considered to be a part of the execution process.

Staff are required to report instances of unsolicited research being provided by third parties to Compliance where no payment agreement or arrangement is in place. The Chief Compliance Officer

(with assistance from any relevant members of staff) will then consider whether it is appropriate to enter into a payment agreement / arrangement or request that the provider stops providing the research.

C. *Brokerage for Client Referrals*

Broker-dealer selection for trade order execution is a function of the best execution considerations described in this Item 12. In relation to trade order execution, the Adviser has no active engagement with any broker-dealer providing for the payment of fees in consideration for Client referrals or recommending any specific broker to Clients.

The Adviser has not, but may from time to time, participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a Client managed by the Adviser or recommend investments in these private funds as investments to the Clients of the broker-dealer. The Adviser may place Client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

At such times as the Adviser engages a placement agent registered as a broker-dealer for the purpose of assisting with fundraising activities, such placement agent would receive compensation in connection with such engagement, which is unrelated to the trade order execution activities of the Clients. See Item 14.B.

D. *Directed Brokerage*

The Adviser does not recommend, request or require that a Client direct the Adviser to execute transactions through a specified broker-dealer.

E. *Order Aggregation (Including Aggregation of Co-Investments)*

Order Aggregation

As part of its advisory services, the Adviser may effect trades and investments with regard to each of the Clients it manages or advises. This means that the Adviser often purchases or sells the same security for more than one Client submitted at or near the same time and using the same executing broker.

As a general matter, the Adviser believes that the aggregation of orders for multiple advisory Clients is consistent with its duty to seek best execution for its Clients. Aggregation of trades facilitates more efficient and less costly execution. Consequently, it is the Adviser's general practice, where it is able and appropriate to do so, to aggregate such Client orders. On the same basis, the Adviser will also aggregate in the same transaction, the same securities for accounts where the Adviser has brokerage discretion.

Where aggregation is possible, the Adviser's policy is to ensure that trades may only be aggregated in a manner that is not to the overall disadvantage of any Client. Aggregation may enable the Adviser to obtain for Clients a more favorable price or a better commission rate based upon the volume of a particular transaction.

When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. To the extent an order is price-averaged, a Client account participating in the trade may pay a higher price than if the Adviser did not aggregate the order. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair to Clients. Depending on

the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating Clients.

Each Client that participates in an aggregated order will pay the same cost of execution (measured by rate). Notwithstanding the above, payment for research in connection with the aggregated order may differ due to applicable jurisdictional regulatory requirements, including without limitation, regulatory requirements of the European Union's revised Markets in Financial Instruments Directive ("MiFID II") and disclosures to the Client.

The Adviser or its related persons may also participate in an aggregated order.

The Adviser may not include a Client account in an aggregated order in certain circumstances, including when the Client has placed a trading or investment restriction on the account precluding the account from participating in an aggregated order. In such a case, the Client may pay a higher commission rate and/or receive less favorable prices than Clients who are able to participate in an aggregated order.

The Adviser may also be limited in its ability to aggregate orders for Clients as a result of the introduction of a new regulatory regime by the FCA, the Investment Firms Prudential Regime ("IFPR") and its regulatory status thereunder. The IFPR places restrictions on firms like the Adviser which hold the status of small and non-interconnected investment firms ("SNI"). In particular, under current FCA guidance relating to the IFPR, a firm which is an SNI may not aggregate orders on the basis of a single order executed in the name of the advisory firm, on an agency basis, for the firm's clients. This is a change from the FCA's prior approach where it was accepted that a portfolio manager might execute a trade in its own name with the intention of subsequently allocating the relevant financial instruments among multiple client portfolios without requiring dealing on account permissions. It is unclear how counterparties' market practice with respect to SNI firms and their clients may develop.

In relation to certain Clients which are for co-investments or managed accounts, the Underlying Investor may have selected its own broker. In these circumstances, the Adviser will not aggregate orders for the purchase or sale of the same security submitted. Because the Adviser is not able to engage in the practice of aggregating Client orders, such Clients may not receive the potential benefits of aggregation, such as lower commission rates and uniform or favorable pricing. As a result, the Client may pay a higher commission rate and receive less favorable prices than if the Adviser aggregated these Clients' orders. In cases where these Clients have negotiated their own commission rate directly with the broker, the Adviser will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the Client will be precluded from receiving the benefit of any possible commission discounts that might otherwise be available as a result of the aggregated trade.

Order aggregation is intended to benefit all parties. The Adviser will endeavor not to carry out a trade for one Client or a transaction in aggregation with another trade if it is likely that the aggregation of trades will work to the disadvantage of any Client whose trade is to be aggregated. In the event that an aggregation would disadvantage any Client, the Adviser may manage the conflict by disclosing to each Client whose order may be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular trade.

In some circumstances, it will be appropriate for the Adviser to buy or sell an investment on behalf of more than one Client account for which the transaction is allocable at one time or over a period of time, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one Client cannot be fully executed under prevailing market conditions, securities may be allocated among the different Clients on a basis which the Adviser considers equitable.

Co-Investments

From time to time, the Adviser may establish one or more co-investment funds, vehicles or accounts with one or more Underlying Investors or limited partners of a Client, strategic partners or other third parties to facilitate investment alongside one or more Clients in multiple investments ("Co-Investment Funds"). The Adviser may also offer co-investment opportunities to one or more Underlying Investors that make sizeable capital commitments to one or more Clients or to other persons or for other reasons

and may for administrative convenience or otherwise form one or more special co-investment vehicles for this purpose.

Whilst the Adviser may offer co-investment opportunities it is under no obligation to do so. The Adviser may choose to offer co-investment opportunities to some Underlying Investors of a Client but not all of them. In particular, the Adviser may offer co-investment opportunities to certain strategic Underlying Investors of a Client or to certain Underlying Investors (but not others) or other third parties in relation to specific industry sectors, geographies, strategies or other focus. Allocations of co-investment opportunities between Underlying Investors of a Client generally will not correspond to their pro rata interests in such Client, and any non-binding acknowledgements of general interest in co-investment opportunities will not require the Adviser to notify the recipients of such acknowledgment if there is a co-investment opportunity.

The Adviser may offer co-investment opportunities to its consultants, servicers and certain entrepreneurs and experienced operational professionals in Client portfolio companies for which such consultant, servicer, entrepreneur or operational professional provides services. The size of any such co-investment opportunities will depend, in part, on the level of participation in respect of sourcing, evaluating and negotiating a particular investment.

The Adviser may offer co-investment opportunities to one or more Underlying Investors that make sizeable capital commitments to one or more Clients or to other persons or for other reasons and may for administrative convenience or otherwise form one or more special co-investment vehicles for this purpose.

The criteria used by the Adviser in offering a co-investment opportunity is set out in Item 12(B).

Cross-Trade Aggregation

Client orders aggregated as part of a cross trade between Clients will be additionally subject to the Adviser's cross trade policy. See also Item 11.B.

Order Aggregation and Allocation Policy

The Adviser's allocation policy is discussed in Item 11.D. For the avoidance of doubt, the Adviser will always allocate investments with priority to the Clients over and above its own or related persons' accounts and/or co-investors.

Item 13. Review of Accounts

A. *Frequency and Nature of Review*

For discretionary accounts where the Adviser holds ongoing monitoring duties, each *Client account* is reviewed by the portfolio manager of the Adviser, on an ongoing basis to determine whether securities positions should be maintained in light of current market conditions. Matters reviewed include specific securities held, any market events, adherence to investment guidelines and the performance of each *Client account*.

B. *Factors Prompting a Non-Periodic Review of Accounts*

For discretionary accounts where the Adviser holds ongoing monitoring duties, significant market events affecting the prices of one or more securities in Client accounts, changes in the investment objectives or guidelines of a particular Client or specific arrangements with particular Clients may trigger reviews of Client accounts on other than a periodic basis.

C. *Content and Frequency of Regular Account Reports*

For discretionary accounts where the Adviser holds ongoing monitoring duties, Clients receive reporting in accordance with the Fund's Governing Documents or Advisory Agreement as applicable. Underlying Investors receive reports from the Fund pursuant to the terms of the Fund's Governing Documents.

Each Client that is a Managed Account (including co-investment mandates) will receive reports from the Adviser with content, frequency and delivery mechanics each in accordance with the Client's Advisory Agreement with the Adviser.

Item 14. Client Referrals and Other Compensation

A. *Economic Benefits Received from Non-Clients for Providing Services to Clients*

The Adviser does not receive any economic benefits from non-Clients for providing investment advice or other advisory services to its Clients.

B. *Compensation to Non-Supervised Persons for Client Referrals*

Neither the Adviser nor any related person directly or indirectly compensates third party solicitors or other promoters for referrals of clients or private fund investors.

Item 15. Custody

Under Rule 206(4)-2 of the Advisers Act (the “Custody Rule”), an adviser has custody if it acts in any capacity that gives the adviser legal ownership of, or access to, a Client’s funds or securities. Accordingly, the Adviser generally has custody of Client assets because it or its affiliates either act as general partner of a Client with the authority to dispose of funds and securities in such Client’s account or are deemed to have custody because of their ability to withdraw their fees directly from the Client. The Custody Rule imposes certain requirements on registered investment advisers who have actual or deemed custody of Client assets. The Adviser expects to be exempt from some of these requirements because of the pool vehicle annual audit provision, namely, to the extent the Adviser has custody of the assets of certain Clients and other pooled investment vehicles: the entities will be audited in accordance with the U.S. generally accepted accounting principles on an annual basis by the independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and audited financial statements will be distributed to each Underlying Investor in the relevant entity within 120 days of the end of such entity’s fiscal year.

In addition, the Adviser generally maintains each Client’s funds and securities at prime brokers or a custodial bank, all of whom are qualified custodians, as that term is defined under the custody rule under the Advisers Act. For any securities that are not held with qualified custodians (e.g., certain uncertificated securities and other private securities), such securities will be held in accordance with the provisions of the Custody Rule and any applicable guidance from the SEC staff.

Where the Adviser has custody of Client funds or securities, but these assets are held with a qualified custodian, Clients will receive account statements from that custodian and Clients should carefully review those statements. The Adviser may in certain circumstances also send quarterly statements directly to Clients in addition to those sent by the qualified custodian. Clients should compare any quarterly statements they receive from the custodian with those received from the Adviser. In addition, the Adviser may be required to provide the Client’s Underlying Investors with these statements and such Underlying Investors should also carefully review those statements and if applicable compare the Adviser’s statements with those of the custodian.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to Clients. Please see Item 4 for a description of any limitations Clients may place on the Adviser's discretionary authority.

Prior to assuming any full or limited discretion in managing a Client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion, and agreeing the strategies for the investment program and types of underlying investment that may be made.

Unless otherwise instructed or directed by a discretionary Client, the Adviser has the authority to determine (i) the securities to be purchased and sold for the Client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines), and (ii) the amount of securities to be purchased or sold for the Client account. Because of the differences in Client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among Clients in invested positions and securities held. The Adviser's investment committee generally determines a Client's allocation strategy. The portfolio managers of the Adviser in implementing the Client strategy, including any allocation strategy, may consider the following factors, among others, in allocating securities among Clients: (i) a Client's investment objectives and strategies; (ii) risk profiles; (iii) tax status and restrictions placed on a Client's portfolio by the Client or by applicable law; (iv) size of the Client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; (viii) account liquidity, account requirements for liquidity and timing of cash flows; and (ix) amount of trade away fees or other transaction fees. Although it is the Adviser's policy to allocate investment opportunities to eligible Client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to Client accounts in varying amounts. Even Client accounts that are typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

Securities acquired by the Adviser for its Clients through a limited offering will be allocated pursuant to the procedures set forth in the Adviser's allocation policy as described in Item 12.B. The Adviser will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities in accordance with those factors. Eligibility will be based on the legal status of the Clients and the Clients' investment objectives and strategies.

Co-Investments

The Adviser may provide certain Clients or Underlying Investors in a Fund or third parties with the opportunity to co-invest in certain investments to which the Adviser has access. Please see the discussion in Item 12.E regarding co-investment opportunities.

Cross Trades

While the Adviser generally does not engage in cross trades between Clients, there may be limited circumstances when the Adviser may effect cross trades between Clients. Please see the discussion in Item 11.B regarding cross transactions.

Trade Errors

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors occur, the Adviser's error correction procedure is to ensure that Clients are treated fairly. The Adviser has discretion to resolve a particular error in any manner that it deems appropriate and consistent with the above stated policy. In the event that a Client account incurs a trade error as a result of the Adviser's violation of the standard of care that is applicable to the Client account, the Adviser will reimburse the Client for losses

attributable to such violation. Trade errors that do not result from the Adviser's violation of the standard of care applicable to the Client account are borne by the Client account. The Adviser is not responsible for the errors of other persons, including third party brokers and custodians, unless otherwise expressly agreed to by the Adviser.

Class Actions

To the extent the Adviser has authority, pursuant to the investment management agreement or other Governing Documents of a Client account, to participate in class action claims (each, a "Claim") it will do so on a case-by-case basis. Once the Adviser receives a Claim, the Adviser or its designee will determine whether any Clients or former Clients of the Adviser owned the security during the period covered by the Claim. Appropriate personnel of the Adviser or the Adviser's designee will determine whether they agree with the basis of the Claim and whether or not to participate in the Claim depending upon (i) the nature of the Claim; (ii) prospects for recovery; (iii) resources required to pursue the Claim, (iv) other relevant factors pertaining to the particular Claim and (v) any other factors that the Adviser deems relevant. To the extent the Adviser receives proceeds from a Claim on behalf of a Client, including a private fund, the Adviser's general policy is that only current Clients or private fund Underlying Investors at the time of receipt of the proceeds will participate in the proceeds. The Adviser may under certain circumstances elect not to participate in the proceeds of a Claim.

Item 17. Voting Client Securities

A. Policies and Procedures Relating to Authority to Vote Client Securities

Under the AIFMD, Alternative Investment Fund Managers (“AIFMs”) are expected to develop adequate and effective strategies for determining when and how any voting rights held in the Alternative Investment Fund (“AIF”) portfolios it manages are to be exercised, to the exclusive benefit of the AIF concerned and its Underlying Investors.

The Adviser’s policy regarding proxy voting seeks to ensure that proxy voting is done in a manner consistent with the best interests of the Adviser’s Clients. It does not seek to address every situation, but rather provides an overview of the Adviser’s approach in ensuring good governance structures are in place.

During the course of carrying out the Adviser’s activities as an investment manager, the Adviser may exercise voting rights on behalf of its Clients. Any voting rights must be voted with diligence and care and whenever voting rights are exercised it must be for the sole benefit of the Client concerned.

To the extent the Adviser has been delegated proxy voting authority on behalf of its Clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to Client securities, such proxies are voted in the best interests of each Client. It is the Adviser’s policy to vote proxies in the interest of maximizing value for its Clients. Consideration will be given to both the short and long term implications of the proposal to be voted on when considering the optimal vote. The portfolio manager responsible for each security will be contacted whenever there is a proxy vote to determine the appropriate vote to be cast. As discussed below, at times, the Adviser may determine it is in its Clients’ best interests to abstain from voting.

Certain of the Adviser’s Managed Accounts have mandates permitting, or fully reserving the right of, the Client to direct the Adviser’s votes in a particular solicitation. A Client that wishes to direct its vote in a particular solicitation shall give reasonable prior written notice to the Adviser indicating such intention and provide written instructions directing the Adviser’s vote in regard to the particular solicitation as required by the Client’s Advisory Agreement. Where such prior written notice is received, the Adviser will vote proxies in accordance with such written instructions received from a Client, provided that such instructions are provided to the Adviser in a timely manner.

The Adviser will abstain from voting or affirmatively decide not to vote if the Adviser determines that abstention or not voting is in the best interests of the Client in light of the scope of services to which the Adviser and the Client have agreed. In making this determination, the Adviser will consider various factors, including, but not limited to, (i) the costs associated with exercising the proxy (e.g., translation or travel costs); and (ii) any legal restrictions on trading resulting from the exercise of a proxy. The Adviser may determine not to vote proxies relating to securities in which Clients have no position as of the receipt of the proxy (for example, when the Adviser has sold, or has otherwise closed, a Client position after the proxy record date but before the proxy receipt date). Except as set out below, where securities form part of a securities lending/repurchase transaction (ie under a GMRA “Repo”), the Client will not generally retain voting rights in these securities as ownership is transferred and the Adviser is not obliged to instruct any voting.

Clients may obtain a copy of the Adviser’s proxy voting policies and procedures and information about how the Adviser voted that Client’s proxies by contacting the Adviser’s Chief Compliance Officer by email at compliance@eastlodgecapital.com. The Adviser’s current proxy voting policies and procedures are also available on the Adviser’s website: <https://eastlodgecapital.com/>.

For each of the Clients managed by the Adviser, the relevant custodian or prime broker will inform the Adviser of any corporate actions relating to the securities held directly by the Client. Information pertaining to the corporate action is then passed to the relevant portfolio manager who will assess the proposed corporate action and determine which course of action would be in the best interests of the Client. The Chief Investment Officer (“CIO”) or designate will give final approval on such course of

action. The Adviser's operations team receives the decision and communicates it to the custodian/prime broker who will then vote the proxy on the Client's behalf. For both mandatory and voluntary corporate actions: (a) in relation to dematerialised securities (i.e. held in Euroclear, Clearstream, or DTCC), the Adviser instructs prime brokers or depositories holding the securities of the Client to vote the proxies on the Client's behalf, (b) in relation to definitive securities, an authorised signatory of the Adviser, acting on behalf of the relevant Client, instructs the issuer or the relevant agent engaged to run and tabulate the relevant corporate action to vote the proxies on the Client's behalf. For securities subject to a securities lending/repurchase agreement, in a minority of cases the counterparty to the agreement as the holder of the securities may agree in its sole discretion vote in line with the Adviser's wishes, or take into account requests made by the Adviser in relation to how the holder should vote the proxy vote relating to the securities.

The Adviser seeks to ensure proxy voting decisions are aligned with investment objectives of the Clients and seeks to avoid conflicts of interest arising from the exercise of voting rights. Nonetheless, conflicts of interest could arise between the Adviser and its Clients in the exercise of voting rights. The Adviser takes into consideration whether it will be subject to any material conflict of interest in connection with each vote. Members of staff must notify the Adviser's Chief Compliance Officer, if they are aware of any material conflict of interest associated with a vote. Examples of where conflicts of interest could arise include the following (without limitation):

- Where the Adviser or an affiliate has a financial interest in the outcome of the exercise of a voting right;
- Where an issuer or some other third party offers the Adviser or a member of staff compensation in exchange for voting in a particular way; and
- Where a member of staff, or other relevant person has a personal or business relationship with an issuer.

The Adviser maintains a record of all proxy voting decisions as required by the Advisers Act.

B. No Authority to Vote Client Securities and Client Receipt of Proxies

To the extent the Adviser does not have authority to vote certain Client's securities under the relevant mandate, such Clients will receive their proxies or other solicitations directly from their custodian or their transfer agent.

Item 18. Financial Information***A. Balance Sheet***

The Adviser is not required to include a balance sheet for its most recent fiscal year.

B. Financial Conditions and Impairment of Contractual Commitments to Clients

The Adviser is not aware of any financial condition reasonably likely to impair its ability to meet its contractual commitments to Clients.

C. Bankruptcy Filings

The Adviser has not been the subject of a bankruptcy petition at any time during the past 10 years.

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