



Part 2A of Form ADV: Firm Brochure

**POLEN CAPITAL CLO MANAGEMENT, LLC**

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**This Brochure provides information about the qualifications and business practices of Polen Capital CLO Management, LLC. If you have any questions about the contents of this Brochure, please contact Polen Capital CLO Management, LLC, an affiliate of Polen Capital Management, LLC, at (781) 283-8500 and/or at [walthamlegal@polencapital.com](mailto:walthamlegal@polencapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.**

**Polen Capital CLO Management, LLC is a registered investment adviser. Registration of an investment adviser with the SEC, however, does not imply any level of skill or training and no inference to the contrary should be made.**

**Additional information about Polen Capital CLO Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select "Investment Adviser Search" and type in Polen Capital CLO Management, LLC). Results will provide you with both Parts 1 and 2A of the Form ADV.**

## **Item 2      Material Changes**

This is the initial Brochure filed by Polen Capital CLO Management, LLC with the Securities and Exchange Commission. Accordingly, there are no material changes to identify or discuss.

**Prospective and current clients of Polen Capital CLO Management, LLC should carefully review this entire Brochure.**

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## Item 4 Advisory Business

### Background

Polen Capital CLO Management, LLC ("Polen CLO Management") was formed in 2024 as a Delaware series limited liability company. Since 2024, Polen CLO Management has been registered as an investment adviser with the Securities and Exchange Commission ("SEC").

Polen CLO Management has established separate segregated series (each a "Series", and together, the "Series") for (1) CLO collateral management activities (the "Management Series"), (2) EU/UK risk retention activities (the "Origination Series"), in the event that the applicable CLO is required to comply with risk retention requirements imposed by certain jurisdictions on sponsors of securitization transactions, and (3) holding investments in CLO Securities (the "Investment Series"). One or more funds advised by Polen Capital Credit, LLC, a Massachusetts limited liability company ("Polen Credit") invest their assets primarily in the Investment Series and Origination Series of Polen CLO Management.

The members of Polen CLO Management are (i) Polen Capital CLO Equity Fund LP ("Polen CLO Equity Fund"), a Cayman Islands limited partnership, with respect to the Origination Series and the Investment Series, and (ii) Polen Credit with respect to the Management Series. Polen Credit is an investment adviser registered with the SEC with its principal office and place of business located at 1075 Main Street, Suite 320, Waltham, Massachusetts 02451. The general partner of the Polen CLO Equity Fund is Polen Capital CLO Equity GP LLC, a Delaware limited liability company, which, in turn, is owned by Polen Credit. Polen Credit is a wholly-owned subsidiary of Polen Capital Management, LLC ("Polen Capital", and together with Polen Credit and Polen CLO Management, "Polen"), which is also an investment adviser registered with the SEC with its principal office and place of business located at 1825 NW Corporate Blvd., Suite 300, Boca Raton, Florida 33431. By virtue of Polen Capital owning 100% of the outstanding equity units of Polen Credit, and Polen Credit owning 100% of the outstanding units of the Management Series of Polen CLO Management, Polen Capital controls Polen CLO Management. Please refer to the Form ADV for each of Polen Credit and Polen Capital for additional information about their respective ownership and operations.

Polen Capital, which is employee controlled, has established a management committee. This management committee is controlled by Stanley C. Moss, the chief executive officer of Polen Capital, Polen Credit, and Polen CLO Management, and Daniel Davidowitz, a portfolio manager and analyst at Polen Capital. By virtue of their control over the management committee of Polen Capital, which itself controls Polen CLO Management, Messrs. Moss and Davidowitz may be deemed controlling persons of Polen CLO Management.

The business and affairs of Polen CLO Management will be managed exclusively by Polen Credit, as the sole owner of the Management Series of equity units issued by Polen CLO Management. Polen Capital has entered into an affiliate employee agreement to act as a shared service provider to Polen CLO Management as well as Polen Credit. This arrangement is described in *Item 10 – Other Financial Industry Activities and Affiliations*.

Polen CLO Management will act as collateral manager (whether on an advisory or sub-advisory basis) to issuers of collateralized loan obligation securities and to special purpose vehicles entering into short-term and long-term warehouse, repurchase, or other credit facilities to finance the preliminary accumulation and "ramp-up" of loans comprising all or a portion of the initial pool of collateral for

any such issuer (each a “CLO”). Polen CLO Management may in the future advise one or more private funds (each a “Fund” and, together with the CLOs, “Clients”) that invests directly or indirectly in the CLOs.

#### Portfolio Management by Polen CLO Management

Each CLO invests substantially all of its assets in loans, notes, and other securities, as permitted by the CLO governing documents. CLO liabilities are backed by the specific loans and other assets held within the special purpose vehicle (“SPV”) structure (collectively, “Assets”). In general, after its warehouse phase, a CLO is a pooled investment vehicle that has a tiered capital structure, issuing senior and mezzanine notes that are rated by one or more rating agencies (the “Rated Notes”) and unrated subordinated notes or other economic equity interests (the “Equity” and, together with the Rated Notes, the “CLO Securities”).

Each CLO is described in, governed by, and/or otherwise subject to a variety of documents (collectively, the “CLO Documents”), including: (i) the CLO’s organizational documents; (ii) during the warehouse phase, the relevant warehouse collateral management agreement, credit and security agreement, securities account control agreement, and other warehouse transaction documents; and (iii) upon the issuance of its CLO Securities, an offering circular, indenture, collateral management agreement, collateral administration agreement, conditional sale agreement, purchase agreement, subscription agreements, and other transaction documents. The CLO Documents describe the roles of various persons involved in the CLO, establish Polen CLO Management’s authority to perform certain investment management functions, including, without limitation, supervise and direct the investment and reinvestment of the collateral obligations and eligible investments and perform administrative and advisory functions as the collateral manager on behalf of the CLO in accordance with the applicable provisions under the collateral management agreement, collateral administration agreement and indenture and set forth detailed eligibility criteria, specifications and requirements regarding the types of investments and describe the overall composition of the CLO’s portfolio (including by imposing, as applicable, diversification, ratings, and concentration tests).

In general, the primary investment objective of each CLO is to (i) provide consistently attractive risk-adjusted returns, and (ii) preserve capital in all market conditions. Each CLO will primarily focus on liquid investment opportunities, though it may also make investments from time to time that Polen CLO Management determines are illiquid. Investment assets of each CLO primarily include corporate senior secured bank loans and bonds, but other assets may be included depending on the terms of the applicable CLO indenture and the investment environment. While, in many cases, certain prospective investors in a CLO will influence the investment criteria, guidelines, and other terms set forth in the relevant Client’s final governing documents, it is generally the case that Polen CLO Management’s investment advice to each Client will primarily be limited to selecting and managing that Client’s assets.

Polen CLO Management could hold interests in its CLOs, including in risk retention, if required, other Equity or first loss positions, or in any tranche of a CLO’s Rated Notes. Polen Capital CLO Equity GP LLC (“Polen GP”), a Delaware limited liability company wholly-owned by Polen Credit, is an affiliate of Polen CLO Management and serves as the general partner of the Polen CLO Equity Fund, which invests in the CLOs managed by Polen CLO Management.

## Assets Under Management

Because Polen CLO Management is a newly formed adviser, as of March 14, 2024 it did not yet manage any assets (discretionary or otherwise). Polen CLO Management does not participate in a wrap fee program.

## **Item 5 Fees and Compensation**

### Compensation for Advisory Services and Expenses

Each Client pays Polen CLO Management (or an affiliate) certain fees as compensation for advisory and other services provided. Additionally, each Client bears certain expenses in connection with their operation. The actual fees and expenses for each Client, including how they are calculated, can vary from Client to Client. The particular fees paid, and expenses borne, by a Client are described in the Client's governing documents. The discussion herein is intended as a general summary and is qualified in all respects by the governing CLO Documents as it relates to any particular Client.

**It is critical that Clients of Polen CLO Management as well as prospective investors refer to their respective governing documents for a complete understanding of how Polen CLO Management and its affiliates are compensated for their services.**

CLO Collateral Management Fees. In most cases, Polen CLO Management, or an affiliate of Polen CLO Management, will be entitled to receive from a CLO: (i) a senior collateral management fee, and (ii) a subordinate collateral management fee (both of which typically begin to accrue at closing and are paid quarterly in arrears). Certain CLOs will additionally provide that if Polen CLO Management achieves a level of performance, as specified in the CLO Documents, an incentive collateral management fee (collectively with the senior collateral management fee and the subordinate collateral management fee, the "Collateral Management Fees") will also be payable. Collateral Management Fees are payable only to the extent that funds are available for that purpose, in accordance with the priority of payments waterfall described in the relevant CLO Documents (the "CLO's Waterfall"). The senior collateral management fee occupies a higher priority in the CLO's Waterfall than the subordinate collateral management fee and, where present, the incentive collateral management fee. Where a CLO is subject to an incentive collateral management fee, that fee would represent performance-based compensation and would typically be only payable to the extent that: (i) funds are available in the CLO's Waterfall for such purpose on each payment date, and (ii) certain specified returns hurdles are achieved, as described in the applicable CLO Documents.

CLO Warehouse Fees. In most cases, CLO warehouses will pay customary management fees, structuring fees, and/or "warehouse success fees" (collectively "Warehouse Fees") to Polen CLO Management or an affiliate under the warehouse's CLO Documents, as negotiated on a case-by-case basis. Warehouse Fees often include fees similar to the Collateral Management Fees described above, as well as certain fees negotiated in connection with a CLO payoff of a warehouse facility or upon the closing of a CLO, in each case as described in the relevant CLO Documents.

Expenses. Management Fees charged to CLOs and CLO warehouses are exclusive of various costs and expenses that are incurred in connection with the provision of advisory services by Polen CLO Management. As described in more detail below and in the relevant governing documents, the costs and expenses that will be borne by Clients (and, indirectly, by their investors) include, but are not limited to: organizational, custodial, brokerage, audit, line of credit, legal, risk management,

consulting, third party administration, research-related fees, transfer taxes, wire transfer, and electronic fund fees, and other fees, expenses, and taxes on brokerage accounts maintained, and securities transactions effected, for the Client.

*Direct and Indirect Expenses Incurred by CLOs.* In addition to the fees paid to Polen CLO Management for its collateral management services, and as set forth in the relevant CLO Documents, CLOs pay (and investors in the CLO bear) a variety of other expenses related to the CLO's operations. These expenses will be the responsibility of the CLO and can be paid directly by the CLO or by Polen CLO Management or an affiliate for and on behalf of the CLO (in which case, Polen CLO Management or the affiliate will be entitled to reimbursement from the CLO). Examples of allocable direct expenses that could be borne by a CLO include, but are not limited to, the following:

- All fees and out of pocket costs and expenses incurred by Polen CLO Management in connection with the formation of a CLO and its consummation including, without limitation, legal and other expenses (excluding travel) incurred in connection with the offer and sale of interests in the CLO (*i.e.*, organizational expenses);
- Expenses associated with the operation of the CLO under the CLO Documents in connection with the management of the CLO's Assets including expenses related to purchases and sales of Assets, workouts, research systems, and compliance monitoring (some of which can be expenses shared with other clients of Polen CLO Management or its affiliates, as described below);
- Other operating expenses, including brokerage commissions and other charges for transactions in securities, other instruments, and investments;
- Borrowing charges on margin accounts, credit facility charges, and the costs of other indebtedness;
- Insurance costs;
- Governmental charges;
- Licensing costs;
- Audit fees;
- Valuation expenses;
- Financing and interest costs and expenses;
- Custodial fees and expenses;
- Administrative fees and expenses;
- Reporting expenses;
- Taxes;
- Legal and accounting fees and other professional expenses such as consulting and investment banking fees;
- Expenses associated with mailing and reproducing offering documents, any amendments thereto, and other communications with investors;
- All expenses incurred in connection with any threatened, pending, or anticipated litigation, examination, or proceeding;

- All expenses incurred as a result of the CLO's obligation to indemnify Polen CLO Management, the administrator, the trustee, other service providers, their respective affiliates, and certain other parties against losses, liabilities, and expenses incurred in connection with the performance of their duties on behalf of, or the provision of services to, the CLO;
- All other expenses and liabilities incurred in connection with or arising out of the CLO's business, including extraordinary or non-recurring charges;
- Other amounts payable pursuant to a CLO's collateral management agreement;
- Any other expenses incurred by Polen CLO Management under the CLO Documents; and
- Reimbursements due to Polen CLO Management for all such costs and expenses, if any, borne by Polen CLO Management on behalf of the CLO.

### Conflicts of Interest

As a fiduciary, Polen CLO Management must act in its Clients' best interests and in accordance with its duties of care and loyalty. Within the following areas of its business, Polen CLO Management has identified certain conflicts of interest that could arise, adopted policies and procedures to mitigate such conflicts, and disclosed conflicts where appropriate, including the following:

- Advisory agreements and fees, including performance-based fees;
- Valuation of Assets held by Clients;
- Capital structure conflicts between investments in bonds, bank debt, and/or equity holdings acquired by Clients of Polen CLO Management (and/or its affiliates);
- Custody and affiliates deemed to have custody;
- Communication of holdings and duty of confidentiality;
- Flow and use of material non-public information ("MNPI");
- Personal securities and transactions, and political contributions;
- Proxy voting;
- Side-by-side management of Clients' assets (including assets managed by affiliates of Polen CLO Management);
- Trade execution, aggregation, and allocation (including by both Polen CLO Management as well as affiliates of Polen CLO Management);
- Cross trading;
- Personnel compensation and remuneration; and
- Whistleblowing and retaliation.

### Valuation of Illiquid Assets

From time to time, certain investments held by Clients may not have a readily available market price to value portfolios. Such investments may be illiquid or otherwise hard-to-value as a result of a thinly traded or otherwise inactive secondary market.

In such circumstances where there are limited or no observable market inputs, Polen CLO Management internally "fair values" such investments in a manner consistent with applicable



accounting principles and standards. Because Polen CLO Management receives fees from its Clients typically based on the periodic value of assets under management, Polen CLO Management may have an incentive to inflate the value of such “fair valued” Assets, thereby increasing the fees payable to Polen CLO Management by its Clients. Although the custodians or fund administrators, as applicable, for Clients are generally ultimately responsible for determining the value of the portfolio on which fees are calculated, these service providers will typically rely upon Polen CLO Management for certain financial information (not generally available to the public) as inputs into the analysis or for fair value recommendations in order for them to appropriately value these types of less liquid investments.

To address this potential conflict of interest, Polen CLO Management has adopted rigorous valuation procedures, which include, without limitation, the preparation of written fair value reports that set forth in reasonable detail the fair value of such illiquid or hard-to-value investments as of the applicable valuation date; a monthly review of the valuation of such investments by senior operations personnel for Polen CLO Management; and a quarterly review of such investments by the Polen fair valuation committee, which includes senior members of the legal/compliance, operations and investment teams (including the Chief Compliance Officer of Polen CLO Management). More information regarding Polen CLO Management’s valuation policies and procedures concerning hard-to-value investments is available upon request.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

### Side-By-Side Management

Initially, Polen CLO Management expects to manage only CLOs, but may in the future manage one or more Funds. Polen CLO Management does not manage any investment vehicles that have been established for the sole benefit of Polen CLO Management supervised persons and/or other affiliates of Polen or employees of such supervised persons. However, Polen CLO Management is controlled by Polen Credit, which owns 100% of the Management Series of equity units of Polen CLO Management. Polen Credit itself is wholly-owned and controlled by Polen Capital, and each aforementioned Polen entity manages a number of accounts and funds. Employees of Polen Capital as well as affiliates of Polen may invest (and have invested), together with unaffiliated investors, in certain pooled investment vehicles managed by Polen.

Additionally, the CLOs can include proprietary or affiliate investments, and one or more funds or accounts managed by affiliates may invest directly or indirectly in CLOs advised by Polen CLO Management. Conflicts of interest can arise when a portfolio manager has management responsibilities for more than one account, or Polen CLO Management must make decisions that impact more than one account, including some which pay performance-based fees or include proprietary or affiliate assets and others that do not.

Polen CLO Management allocates opportunities to each of its clients, including without limitation such pooled investment vehicles in which Polen CLO Management and/or its affiliates have invested, fairly and equitably in a manner that is consistent with its written initial order and allocation guidelines.

### Performance-based Fees

As described above in *Item 5* of this Brochure, if and to the extent provided in the CLO Documents, Polen CLO Management or an affiliate will be eligible to receive performance-based fees from a CLO

in the form of the incentive collateral management fees. Performance compensation is payable only after the CLO has achieved a certain return target, typically in the form of an internal rate of return hurdle, which is based on payments received by the equity holders thereunder in relation to their initial investment in the CLO. Performance-based compensation arrangements create an incentive for Polen CLO Management to: (i) recommend investments that are riskier or more speculative than those that might be recommended under a different fee arrangement, such as a management fee only arrangement, and (ii) dispose of investments at a time and in a sequence that would generate the most performance-based compensation. Additionally, where a performance-based fee is based on realized gains, Polen CLO Management has an incentive to cause a CLO to realize gains in order to earn or increase such fee, even though continuing to hold the Asset might have been in the CLO's best interest.

Arrangements with affiliates can create a conflict of interest in that Polen CLO Management might appear to have an incentive to favor affiliates. Polen CLO Management recognizes the conflicts that can arise with performance fee structures and/or proprietary and affiliate investments and seeks to mitigate these and other potential conflicts between accounts through its initial order and allocation guidelines.

Polen CLO Management and its portfolio manager(s) – certain of whom also jointly manage accounts for affiliates of Polen CLO Management – face a potential conflict of interest when concurrently managing accounts with different fee structures that may pursue similar investment strategies and objectives, as the portfolio manager(s) may have an incentive to direct Polen's best investment ideas to, or allocate or sequence trades in favor of, those accounts for which Polen CLO Management receives a performance-based fee. In certain circumstances, this type of fee arrangement may provide Polen CLO Management with a potential incentive to make investments that are riskier or more speculative than would be the case in the absence of such a performance-based fee.

Polen CLO Management owes a fiduciary duty to its clients to not favor the account of one Client over that of another, without regard to the types and amounts of fees paid by those accounts. Accordingly, to address the potential conflict of interest outlined above, Polen CLO Management adheres to written initial order and allocation guidelines, which are designed to ensure the fair and equitable allocation of investment opportunities across all Clients without regard to fee structure while also seeking to maintain consistent concentrations of positions across Clients pursuing similar investment strategies. The initial order and allocation guidelines are also structured in a manner to enable the effective deployment of capital across client accounts in different stages of operation.

Pursuant to these allocation guidelines, a portfolio manager, in determining whether or not to place an order for a security that may be suitable for more than one Client, will generally evaluate several factors, in light of the facts and circumstances existing at time of trade, the most important of which is the Client's investment strategy and whether/how the security under consideration fits within such investment strategy. In addition, when choosing to place an order on behalf of any client, a portfolio manager will typically evaluate other factors, such as cash availability, ongoing cash inflows and outflows, specific investment guidelines and restrictions, appropriate position size, and applicable regulatory considerations. Accordingly, Polen CLO Management will not necessarily manage such portfolios in the same manner, and there is no requirement that Polen CLO Management use identical investment practices consistently across all portfolios. As a result, although Polen CLO Management may manage numerous portfolios with comparable investment objectives, the investment decisions relating to these accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

In determining the order allocation for a proposed investment that may be suitable for more than one Client of either Polen CLO Management or an affiliate thereof, pursuant to Polen CLO Management's written allocation guidelines, each Polen CLO Management portfolio manager is expressly prohibited from taking into consideration the compensation paid to Polen CLO Management potentially resulting from any performance-based fee attributable to certain client fee arrangements; rather, a portfolio manager will evaluate the factors set forth above (and, most importantly, the designated investment strategy pursued) in determining the allocation of a specific investment opportunity amongst all client accounts participating in an order (or whether a client participates at all), irrespective of fee structure. Finally, any inappropriate favoritism of one client over another client would constitute a breach of Polen CLO Management's fiduciary duty and is prohibited.

#### Allocation of Executed Orders

Once Polen CLO Management has executed a trade on behalf of a Client or Clients, such trade will be allocated pursuant to Polen CLO Management's written allocation guidelines. Generally, such trades will be allocated in accordance with the actual order placed by the portfolio manager(s), as reflected within Polen's trade order management system. Notably, orders placed for Clients of Polen CLO Management may be executed side-by-side with similar orders that are also placed for funds and/or accounts managed by Polen Credit, as each investment adviser is governed by the same allocation guidelines consistent with the methodology described below.

In cases where an executed trade only partially fills a trade order, securities purchased or sold generally will be allocated amongst participating clients (including, for the avoidance of doubt, clients of Polen Credit) on a *pro rata* basis based on order size (subject to automatic rounding of odd-lot amounts by Polen's trade order management system). Notwithstanding the foregoing, the initial order and allocation guidelines permit Polen CLO Management (or Polen Credit, as the case may be) to prioritize orders for Clients with a significant cash position (*e.g.*, newly-incepted Clients that are being "ramped up" or that have otherwise received a material inflow) over other Clients without a significant cash position, such that Polen CLO Management can allocate to those Clients first up to the actual order amount before then allocating the balance of the executed order, if any, pursuant to the *pro rata* methodology described above.

Any exceptions to the written allocation guidelines must be approved by the Chief Compliance Officer or an authorized designee. In such circumstances, the Chief Compliance Officer (or an authorized designee) may approve a non-*pro rata* allocation if there is a limited supply for a particular security or investment opportunity, and a *pro rata* allocation would result in certain accounts receiving position sizes that the portfolio manager believes are too small to effectively manage given the parameters of the particular investment strategy pursued. In these cases, Polen CLO Management's portfolio manager(s) will make allocations that reflect a number of other factors based on Polen CLO Management's good-faith assessment of the investment opportunity relative to the objectives, limitations, and requirements of each client account. The involvement of the Chief Compliance Officer (or an authorized designee) in such determinations serves as a check on the ability of a portfolio manager to improperly reallocate limited or more profitable investment opportunities to higher fee-paying accounts on a post-trade basis. Nonetheless, client accounts that either receive a less than *pro rata* (or no) allocation of an investment opportunity that performs well may experience lower performance returns overall as compared with other clients pursuing a similar investment strategy.

Furthermore, circumstances may arise prior to the settlement date whereby Polen CLO Management may desire to reallocate a pending transaction amongst participating Clients. Examples may include an order that did not satisfy a particular client's investment guidelines but was not otherwise identified as problematic at the time of trade by the compliance rules programmed into Polen CLO Management's trade order management system, or an order that would breach an investment guideline as a result of ensuing market price movements or Client redemptions that occur on a post-trade but pre-settlement basis. Any such trade reallocation, which occurs on a very infrequent basis, must be otherwise approved by the Chief Compliance Officer (or an authorized designee) in a fair and equitable manner at all times consistent with Polen CLO Management's fiduciary obligations to each Client affected by such reallocation.

Portfolios are monitored by Polen CLO Management's compliance personnel for consistency with client objectives and restrictions, and the Chief Compliance Officer (or an authorized designee) conducts a review no less frequently than annually to confirm that Polen CLO Management has treated its client accounts fairly with respect to the allocation of investment opportunities.

#### Investments by Clients in Different Layers of an Issuer's Capital Structure

From time to time, Polen CLO Management expects that its clients will hold interests in a portfolio company that are of a different class, type, or seniority than, or otherwise potentially adverse to, the class, type or seniority of interests held by other clients of Polen CLO Management or its affiliates (and in particular, Polen Credit). Similarly, from time to time, clients of Polen CLO Management or its affiliates will hold multiple investments across the capital structure of an issuer of varying classes, types, or seniorities, but will hold different proportions of each such investment. It is possible that the trading and investment activities of any client of Polen CLO Management or its affiliates could conflict with the activities and strategies employed in managing the assets of any other client of Polen CLO Management or its affiliates, and accordingly affect the prices and availability of the securities and instruments in which a client invests. For example, a client of Polen CLO Management (or one of its affiliates) may hold unsecured debt of an issuer while a different client of Polen CLO Management (or one of its affiliates) holds secured debt of the same issuer, resulting in the Polen CLO Management client holding an investment that is senior or junior to another Polen client in the capital structure of such entity. Especially in a restructuring, workout or other scenario involving a distressed issuer, the interests of such clients might be adverse to one another, and one such client might recover all or part of their investment while the other client does not. Decisions about what action should be taken on behalf of such clients in such a 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 negotiation of any terms of any workout or restructuring, raise conflicts of interest concerns.

In addressing certain of the potential conflicts of interest described herein, Polen CLO Management may, but shall not be obligated to, take one or more actions on behalf of its Clients, including any one or more of the following: (i) causing a Client to remain passive in a situation in which it is otherwise entitled to vote or take other action, which may result in the outcome of such vote or action being determined by (x) other investors or decision-makers in the same class of equity or debt securities (or another class of equity or debt), or (y) the vote or other action taken by another Client; (ii) consulting with the Client on such matter or otherwise requesting that such Client (or, in the case of a pooled investment vehicle, the underlying investors therein) approve such matter; (iii) establishing ethical screens or information barriers to separate Polen CLO Management investment professionals or assigning different teams of Polen CLO Management investment professionals, supported by legal counsel and other advisers, as Polen CLO Management deems appropriate, to act independently of

each other in representing different Clients or Clients that hold different classes, series or tranches of an issuer's capital structure; (iv) as between two Clients, seeking to ensure that such Clients own interests in the same securities or financial instruments and in the same proportions so as to preserve an alignment of interest; or (v) causing a Client to divest itself of a security or financial instrument or particular class, series or tranche of an issuer's capital structure it might otherwise have continued to hold. However, Clients (as well as investors in CLOs and other Funds that may be managed by Polen CLO Management) should be aware that conflict resolution in such instances may result in one or more Clients receiving less consideration and/or less favorable treatment with respect to such investments than they may have otherwise received in the absence of such a conflict of interest.

Polen CLO Management recognizes that conflicts of interest may arise when Clients (or clients of an affiliate such as Polen Credit) invest in different layers of the capital structure of the same portfolio company, and it will endeavor to mitigate such conflicts by treating each of its Clients in as fair and equitable a manner as possible in light of the particular facts and circumstances. The actions taken by Polen CLO Management on behalf of a Client are expected to vary based on the particular facts and circumstances surrounding each investment by two or more Clients in different classes, series, or tranches of an issuer's capital structure, and, as such, Clients should expect some degree of variation, and potential inconsistency, in the manner in which potential or actual conflicts are addressed. While Polen CLO Management seeks to resolve the conflicts in an impartial manner, there can be no assurance that Polen CLO Management's own interests will not influence its conduct in such circumstances.

#### Cross Transactions; Principal Transactions

In rare circumstances, subject to applicable restrictions set forth the governing documents as well as applicable law, Polen CLO Management may direct a Client to sell securities to, or buy securities from, another Client, proprietary account, or others with whom it has contractual arrangements through a cross transaction in which neither Polen CLO Management (nor any related person) will receive any compensation. Cross transactions enable Polen CLO Management to execute a trade between two clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the secondary market as well as saving commission-related costs for both client accounts. The volume of cross transactions executed by Polen CLO Management with respect to its Clients is expected to be very low relative to its overall trading activity.

Cross trades present a potential conflict of interest because of the prospect that Polen CLO Management may favor one transacting Client over another; any such favoritism would run contrary to Polen CLO Management's duty of loyalty, which requires that Polen CLO Management not subordinate the interests of its Clients to its own. To address this potential conflict of interest, prior to the execution of any cross transaction, Polen CLO Management will determine that the transaction is in the best interests of each Client involved based on their respective investment objectives and portfolio characteristics. Specifically, Polen CLO Management will evaluate the expected benefits to each Client of effecting the cross trade compared with placing separate trades in the open market (*e.g.*, evaluating the reduced transaction costs expected to be saved by the clients by participating in such cross trade). Additionally, the Chief Compliance Officer (or an authorized designee) must review and approve each cross trade prior to its execution to confirm adherence with internal procedure and applicable law as well as to appropriately mitigate any actual or potential conflicts of interest that are identified.

Although Polen CLO Management has adopted procedures with respect to principal transactions, Polen CLO Management does not anticipate that its CLOs (or its Funds, as the case may be) will enter into any principal transactions with itself or any of its affiliates when actively trading positions for such investment vehicles.

### Shared Expenses

Certain costs and expenses are incurred for the benefit of, or shared by, multiple clients of Polen CLO Management and its affiliates ("Shared Expenses"); these shared expenses can include, but are not limited to, the following:

- Out-of-pocket expenses directly related to a current or prospective investment;
- Expenses related to workouts; and
- Other direct and indirect expenses incurred by CLOs (as further described in Item 5).

Pursuant to its internal expense allocation policy and procedures, Polen CLO Management endeavors to allocate Shared Expenses in a manner that it considers, in its discretion based on the circumstances and on an overall basis, to be fair and equitable to its Clients and any other accounts (including accounts managed by its affiliates) that could benefit from the Shared Expense. Generally, Shared Expenses will be allocated *pro rata* based on the client accounts benefitting from the Shared Expense, but can be allocated in another manner, if Polen CLO Management deems it to be appropriate under the circumstances.

Polen CLO Management also faces certain conflicts of interest in making allocation decisions with respect to Shared Expenses to the extent it has differing pecuniary interests in the CLOs, Funds, or other accounts and the current or anticipated performance of such accounts and the impact of such performance on compensation paid or payable to Polen CLO Management or its affiliates. Additionally, certain accounts' governing documents do not permit them to directly or indirectly bear certain costs and expenses, and other clients could be subject to expense caps. To the extent that any accounts that cannot bear the costs of a Shared Expense will benefit from that Shared Expense, Polen CLO Management or its affiliates would typically directly bear the responsibility for the portion of the Shared Expense that would otherwise be allocable to such accounts, which creates a conflict of interest for Polen CLO Management in identifying Clients that benefit from a Shared Expense and for Polen CLO Management in determining (together with any of its affiliates) the manner in which the Shared Expense will be allocated. For example, where a Shared Expense could benefit multiple client accounts, not all of which allow for reimbursement, Polen CLO Management has an incentive to allocate the Shared Expense only to those Clients which are permitted to bear it, in order to avoid incomplete reimbursement or otherwise to choose an allocation methodology that increases the portion of the Shared Expense that is reimbursable.

## **Item 7      Types of Clients**

Clients of Polen CLO Management are CLOs. Investments in these vehicles are generally available only to institutional investors, such as banks, thrift institutions, pension and profit-sharing plans, sovereign wealth funds, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other business entities.

To the extent that Polen CLO Management manages one or more Funds in the future, such Funds are generally expected to be organized as exempted limited partnerships formed under the laws of Delaware or the Cayman Islands, excepted from the definition of an “investment company” pursuant to Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “1940 Act”), and the securities they issue will be exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”), pursuant to Regulation D and/or Regulation S thereunder, although other exceptions could be relied on in certain circumstances.

It is expected that each Client’s investors will acquire interests in private placement transactions and will be either (i) non-U.S. Persons acquiring through offshore transactions in reliance on Regulation S or (ii) (a) in the case of CLOs, both “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) and “qualified purchasers” (as defined in Section 2(a)(51) of the 1940 Act), or (b) in the case of Funds, “qualified purchasers”. In certain cases, an investor in a CLO or a Fund could include persons or entities that are both “accredited investors” as defined in Section 501(a) of Regulation D under the Securities Act and either qualified purchasers or “knowledgeable employees” within the meaning of Rule 3c-5 under the 1940 Act.

Additional details concerning applicable investor criteria will be provided in each Client’s governing documents.

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

### Method of Analysis

In analyzing investments, Polen CLO Management employs fundamental credit research with respect to each of the loans, bonds, or other instruments held in (or considered for investment by) the CLOs for which Polen CLO Management provides investment advisory services.

Polen CLO Management attempts to exploit inefficiencies in the credit markets, and the leveraged loan market in particular, by adhering to a “bottom-up” fundamentally-oriented investment process that focuses heavily on downside protection. The objective of this process is to uncover those investments that Polen CLO Management believes will have the highest probabilities of generating consistent free cash flow through credit cycles and that Polen CLO Management believes are also priced either at fair value or at a slight discount to their fair value relative to their credit profiles.

Polen CLO Management generally approaches new investments in prospective portfolio companies by initially creating a comprehensive analytical overview focused on such company’s current and future business prospects. This fundamental analysis of a particular investment opportunity typically focuses on the following three components:

1. Cash Flow: An evaluation of a company’s ability to both (a) service its fixed obligations, including interest, capital expenditures, and working capital needs, and (b) generate free cash flow that will enable it to repay its debt or reinvest capital. Polen CLO Management believes that understanding an issuer’s discretionary free cash flow is important in assessing downside risk in the context of an adverse credit event that causes liquidity or cash flow to deteriorate.
2. Enterprise Value Coverage: An analysis of a company’s overall enterprise value relative to its liabilities and equity value (a “loan-to-value” analysis), including a determination of

company's value to prospective acquirer(s) of such business in whole or in pieces under a variety of economic assumptions.

3. Legal Protections and Contractual Remedies: An assessment of the contractual rights and remedies set forth in relevant legal documents governing a particular investment, such as a loan agreement, bond indenture, and/or intercreditor agreement.

Once a potential investment opportunity is identified, a research analyst will generally prepare a "first pass" analysis outlining the company's business model and financial condition, together with a proposed investment thesis. If a portfolio manager agrees with the analyst's recommendation, the analyst will undertake a more in-depth "second pass" analysis to create an overall financial assessment of the investment opportunity and verify the investment thesis.

This second pass will generally include a review of the company's products and services, competitive position and market share, customer and supplier base and relevant contracts, capital structure, ESG factors, historical financial statements and analysis and projections, and other relevant considerations. Additionally, the analysis will often include comparisons to other companies in the same industry with respect to enterprise valuations and pricing on other debt instruments.

Polen CLO Management generally takes a proactive role in sourcing investment opportunities in businesses in the below investment grade universe. Following the completion of due diligence, the portfolio manager(s), in consultation with the analyst responsible for recommending the investment, makes a final decision on whether to proceed with the proposed investment, including its weighting in the context of the strength of the recommendation.

Ultimately, this relative value analysis, whereby each current portfolio holding as well as new buy ideas are assessed based on an expected yield versus risk-incurred basis, enables the portfolio manager(s) to generate their buy/sell list for their respective client portfolios under management. Important factors in this analysis typically include:

- Credit risk: the risk of loss due to a debtor's inability to service its fixed income obligations;
- Legal (or structural) risk: the degree of contractual rights (*e.g.*, covenant protections) associated with a given tranche of an issuer's debt securities; and
- Liquidity risk: the likelihood that decreased trading or increased aversion in the marketplace will lower the relative value of an investment.

The investment strategies employed by Polen CLO Management in the management of its CLOs are more fully set forth in the CLO documents.

### Material Risks

The following risk factors are those generally applicable to CLOs managed by Polen CLO Management. These risks could be exacerbated to the extent that the particular portfolio is concentrated in one or more particular types of loans. There can be no assurance that there will be any return of capital. The material risks involved with investing in CLOs are discussed below. However, additional risk factors, including risk factors that are specific to a particular CLO's investment strategy, are described in the applicable CLO Documents.



- Risks related to investments in high yield debt securities: Clients of Polen CLO Management typically invest in high yield fixed income securities, including bank loans but also bonds, which instruments may be unrated, rated below investment grade or in certain cases in default, and as such are considered speculative and may involve greater risk of loss than higher-rated debt securities. The lower rating of securities in the high yield sector reflects 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 issuer to make payments of principal and interest. Furthermore, the prices of such securities are sensitive to changes in an issuer's creditworthiness. Issuers of lower-rated debt securities may have greater difficulty servicing their payment obligations, meeting projected operational goals, and/or obtaining additional financing. As with other types of debt instruments, high yield debt securities involve a heightened risk of loss in the case of default or insolvency of the obligor, particularly if the obligation is unsecured.
- Risks related to investments in loans: There are a number of risks associated with an investment in bank loans, including credit risk, interest rate risk, liquidity risk and prepayment risk. Lack of an active trading market, restrictions on resale, irregular trading activity, wide bid/ask spreads, and extended trade settlement periods may impair the ability to sell bank loans within a desired time frame or at an acceptable price. Extended trade settlement periods may result in cash not being promptly available to the portfolio following the execution of a sale transaction. As a result of such illiquidity, Clients may have to sell other investments to raise cash to meet their obligations.

Investments in below investment grade loans carry similar credit risks to investments in below investment grade (high yield) bonds. Changes in the financial condition of the borrower or economic conditions or other circumstances may reduce the capacity of the borrower to make principal and interest payments on such instruments and may lead to payment defaults, thereby reducing the income to a portfolio as well as a reduction in the value of the principal amount of the loan. The value of senior secured bank loans is supported by the accompanying collateral; however, the value of such collateral may be insufficient to cover the amount owed to a Client portfolio. Furthermore, in the event of bankruptcy of a borrower, the portfolio could experience delays or limitations in its ability to realize the benefits of any collateral securing a loan.

Loans generally are subject to legal or contractual restrictions on resale. The liquidity of loans, including the volume and frequency of secondary market trading in such loans, varies significantly depending on then-current market conditions as well as among individual loans. For example, if the credit quality of a loan unexpectedly declines significantly, secondary market trading in that loan can also decline for a period of time. During periods of infrequent trading or where there may be heightened distressed or "forced" selling activity, valuing a loan can be more difficult, as prices provided by external pricing services may not reflect the actual fair value of the assets. Furthermore, buying and selling a loan at an acceptable price can be more difficult and delayed. Difficulty in selling a loan in particular can result in a loss to Clients. Finally, bank loans may not be considered "securities" and, as a result, Clients that have invested in such loans may not be entitled to rely on the anti-fraud protections under the federal securities laws but rather may have to resort to state law and/or direct claims against a counterparty or underlying issuer.

- Risks related to settlements of loans: Clients may experience delays in the settlement of certain loan transactions, which themselves are more complicated, are paperwork intensive, and require greater internal resources to settle compared with bonds, particularly in the case of loans that are or become distressed. Unlike the securities markets, there is no central clearinghouse for loan trades. Such delays may prevent a Client from obtaining liquidity of certain assets within a desired timeframe. Furthermore, pursuant to certain insolvency laws, a counterparty may have the ability to reject or terminate an unsettled loan transaction. If a counterparty rejects an unsettled transaction, a Client might lose any increase in value with respect to such loan that accrued while the transaction remained unsettled.

Furthermore, the agent bank is the bank in the loan syndicate that undertakes the bulk of the administrative duties involved in the day-to-day administration of the loan, including providing approval prior to the settlement of each loan transaction on the secondary market. In the event of the insolvency of, or a resignation by, an agent bank, a loan transaction could be subject to heightened settlement risk, and/or the investment itself could be subject to risk of interruptions in the administrative duties performed in the day-to-day administration of the loan.

- Risks related to second lien and unsecured loans: In addition to the particular risks generally associated with investments in corporate loans described above, investments in second lien and unsecured loans, which could be targeted by CLOs managed by Polen CLO Management, entail additional risks, including, but not limited to (i) the subordination of a Client's claims to a senior lien in terms of the coverage and recovery from the collateral; and (ii) with respect to second lien loans, the limitation on the right to foreclose on a second lien or exercise other rights as a second lien holder, and with respect to unsecured loans, the absence of any collateral altogether on which a Client may foreclose to satisfy its claim in whole or in part. In certain cases, therefore, holding a second lien or unsecured loan that subsequently defaults may result in little to no recovery to a Client account.
- Risks related to investments in equity securities: Certain Clients may hold equities of companies, which would generally be acquired as a result of a restructuring of previously held debt obligations. The value of such equities, which oftentimes are not publicly-traded or liquid, will rise and fall in response to the activities of the company that issued the securities, general market conditions, and/or specific economic or political conditions. Equity investments, as the most junior security in a company's capital structure, generally involve a high risk of loss and typically are subject to significant volatility in price. This risk of loss is further elevated because Polen CLO Management may receive equity securities in businesses that are experiencing or recently experienced financial distress or may be emerging from, bankruptcy proceedings.
- Risks related to investments in leveraged and financially troubled companies: Polen CLO Management may target investments in companies that are highly leveraged; such leverage in turn will increase the exposure of such companies to adverse economic conditions, such as a downturn in the economy or a particular industry. These companies may be subject to restrictive financial and operating covenants within their debt agreements, which may restrict their range of operating activity and impair these companies' ability to finance their future operations and capital needs. Accordingly, the flexibility of these companies to respond to changing business and economic conditions as well as to business opportunities may be limited. As a result, a Client may suffer a partial or total loss of any capital invested in

such a company, which, depending on the size of such Client's investments, could materially adversely affect the return on the capital of such Client.

- Risks related to bankruptcies and balance sheet restructurings of portfolio companies: Polen CLO Management may target securities and other obligations of issuers that are in financial difficulty, and/or may be in, entering, or emerging from, bankruptcy proceedings. Bankruptcy or other insolvency proceedings are highly complex and may result in unpredictable outcomes. In any investment opportunity involving a workout, liquidation, reorganization, bankruptcy or similar transaction, the risk that the contemplated transaction may be unsuccessful is elevated. Similarly, if an anticipated transaction at the issuer level does not in fact occur, Polen CLO Management may be required to unexpectedly sell the investment at a loss. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. Because there is a substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which Polen CLO Management Client portfolios may invest, there is a potential risk of loss of the entire investment in such companies, as well as the risk that such Clients may be required to accept cash or newly-restructured securities with a value less than the Client's original investment. Furthermore, the eventual monetization of the initial investment may occur over a prolonged period. Under such circumstances, the returns generated from such Client's investments may not compensate a Client adequately for the risks assumed.
- Risks related to liquidity of investments: From time to time, there may be little or no active market for some of the securities or other obligations purchased by Clients. In addition, lower-rated debt securities may be thinly traded, adversely affecting the prices at which these securities can be sold and resulting in high transaction costs. Some of the securities and other obligations purchased by Clients may have been issued in private placement transactions and accordingly may be subject to legal or contractual restrictions on resale in accordance with applicable securities laws. In some instances, the sale of securities and other obligations owned by Clients may require lengthy negotiations. In addition, a downturn or contraction in the overall economy or in the capital markets, which may be accompanied by severe technical dislocations in the high yield market in particular, may further disrupt Polen CLO Management's ability to effectively trade investments on behalf of its Clients. As a result, an exit strategy that appeared to be viable when an investment was initiated may be precluded by the time that the investment is ready to be realized by Polen CLO Management. The presence of any of these factors may limit liquidity and, consequently, Polen CLO Management may not be able to dispose of a portfolio investment when it desires to do so or at an attractive price. The adverse results may be particularly acute for investors within commingled funds managed by Polen CLO Management, especially to the extent that Polen CLO Management is required to dispose of more liquid investments from such products in order to meet outstanding redemption requests by exiting investors.
- Risks related to small and medium capitalization companies: Polen CLO Management frequently targets loans or other instruments of companies with small- to medium-sized market capitalizations. Although Polen CLO Management believes that these investments often provide significant potential for both a high level of income as well as capital appreciation, they also involve higher risks in some respects than do investments in larger companies, including more volatility than large-capitalization investments and a higher risk of bankruptcy or insolvency. In addition, due to thin trading in the fixed income instruments

of some smaller-capitalization companies, an investment in such companies may be (or may become) illiquid.

- Risks related to investments in restricted securities: Polen CLO Management may be prevented from buying or selling certain publicly traded securities if Polen CLO Management acquires material non-public information with respect to the issuer of such securities. For example, Polen CLO Management may acquire such material non-public information in connection with ongoing negotiations with an issuer that may be refinancing its capital structure or otherwise entering into a restructuring. In all such circumstances, Polen CLO Management will not trade securities issued by such issuer in secondary transactions until the material, non-public information becomes public and/or no longer material, or trading is otherwise permitted in accordance with applicable law. The length of time that Polen CLO Management may be subject to such restrictions on trading with respect to its Client portfolios (during which time Polen CLO Management will classify such investments as illiquid) may be significant. Accordingly, a Client's ability to monetize a portion of its portfolio in a timely manner may be adversely affected.
- Risks related to interest rates: Interest rate risk is the risk that fixed income investments will decline in value because of changes in market interest rates. When market interest rates rise, the market value of fixed-interest rate securities generally will fall, as investors demand a higher annual yield from future distributions. Moreover, holding variable-rate loans will often result in returns that are more volatile when interest rates are more volatile. Rising interest rates also generally increase the costs of obtaining financing, which could cause the value of high yield fixed income investments purchased by Polen CLO Management on behalf of its Clients to decline. Furthermore, the market price of floating rate securities, such as bank loans, is generally based on a benchmark rate, and accordingly may also be susceptible to decline in the event that market interest rates decline.
- Risks related to investment volatility: A principal risk in investing in leveraged loans and potentially stressed or distressed securities is the traditional volatility in the market prices of such securities. In recent years, the high yield market (together with other markets) has been particularly volatile, resulting in significant price variability with respect to leveraged loans and other instruments that are frequently targeted by Polen CLO Management as investments for its Clients. Fluctuations or prolonged changes in the price volatility of such securities, therefore, can adversely affect the value of investments held by a Client.
- Risks related to ESG investing: As the investment process considers environmental, social and governance factors, Polen CLO Management may choose to avoid investments that might otherwise be considered or sell investments due to changes in ESG risk factors as part of the overall investment decision process. The use of environmental, social and governance factors may impact investment exposure to issuers, industries, sectors, and countries, which may impact a Client's relative performance. ESG criteria are subjective by nature, and Polen CLO Management may rely on analysis and ratings provided by third parties in evaluating a company's ESG risks. A Client's perception may differ from Polen CLO Management's or a third party's on how to judge an issuer's adherence to sustainable investing. In addition, investments selected by Polen CLO Management for its Clients' portfolios could be unsuccessful in exhibiting positive ESG characteristics.

- Risks related to litigation: Investing in the below investment grade market, and distressed securities in particular, can become a contentious process. Different investor groups may have qualitatively different, and frequently conflicting, interests. Polen CLO Management's investment activities may include actions that are hostile in nature and will subject its Clients to the risks of becoming involved in litigation by third parties. This risk may be greater where Clients exercise either control or significant influence over a company's direction (e.g., by holding a substantial percentage of a particular class of a stressed or distressed issuer's fixed income securities). The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments may be borne by a Client and could be significant.
- Risks related to risk retention: Polen CLO Management intends to act as collateral manager for "open market" CLOs and, as a result, does not intend to comply with the U.S. credit risk retention requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). However, Polen CLO Management could act as collateral manager for CLOs in which Polen CLO Management or one or more of its affiliates could decide to hold and retain certain CLO Securities issued by such CLOs, in order to comply with European Union, United Kingdom ("UK") or Japanese risk retention regulations as an "originator" or "sponsor" (each as defined in the applicable regulations). Additionally, Polen CLO Management and/or its affiliates could hold CLO Securities in addition to the requisite risk retention amount. There has been very little guidance issued with respect to such risk retention regulatory regimes and therefore the regulatory environment in which any CLO intending to be structured to comply therewith is highly uncertain. There can be no assurance that applicable governmental authorities will agree that any of the transactions, structures, or arrangements entered into by Polen CLO Management and its affiliates, and the manner in which Polen CLO Management or its affiliates hold credit risk retention interests, if any, will satisfy the applicable regulators. Credit risk retention regulations and the interpretation thereof in the U.S., in Europe, in the UK, and in Japan are subject to change, clarification, and interpretation by governmental authorities and courts in a manner that could have an adverse effect on Polen CLO Management, its affiliates, and any applicable CLOs and the investors therein. Despite Polen CLO Management's intent to only act as collateral manager for "open market" CLOs, it is possible that a governmental authority determines that any CLO managed by us is not an "open-market" CLO. As a result, Polen CLO Management would no longer be in compliance with the U.S. credit risk retention requirements under the Dodd-Frank Act and could be required to acquire additional CLO Securities. If Polen CLO Management fails to comply (or are unable to comply) with the U.S. credit risk retention requirements under the Dodd-Frank Act, such failure (or inability) could (i) result in significant negative reputational consequences, materially and adversely affect Polen CLO Management's ability to perform its obligations as collateral manager to any CLO and/or (ii) have a material adverse effect on the CLOs managed by it.

Failure to comply with one or more of the applicable credit risk retention requirements specified in the offering documents of a CLO that are intended to be complied with can result in a loss of liquidity for the securities issued by such CLO as well as various penalties for those investors subject to an applicable regulatory regime including, in the case of those investors subject to regulatory capital requirements thereunder, the imposition of a punitive capital charge on the securities issued by the CLOs acquired by the relevant investors and/or the requirement to take corrective action, as applicable. Aspects of the credit risk retention

requirements and what is or will be required to demonstrate compliance to national regulators remain unclear.

- Risks related to leverage: Each CLO will be significantly leveraged through the issuance of notes.

CLOs generally are highly levered entities. The use of leverage has the effect of potentially increasing losses. If income and appreciation on investments made with borrowed funds are less than the required interest payments on the borrowings, the value of the fund's net assets will decrease. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent the investment is leveraged.

During a CLO's warehouse phase, warehouse leverage can also result in an increased risk of loss and increased volatility to the CLO due to possible margin calls, events of default, adverse fluctuations in interest rates, downturns in the leveraged loan market or the economy, and the possible inability to refinance such warehouse debt when it matures or liquidate the related loan portfolio for an amount sufficient to pay such warehouse debt and return capital and/or profits to the CLO or its investors.

If an event of default occurs under the related warehouse facility, the lenders, or other counterparties to the warehouse facility (or some designated portion or agent thereof) would be able to exercise remedies with respect thereto including but not limited to the liquidation of or taking title to the collateral for such facility which will terminate the rights thereto of the CLO and could result in a full or partial loss of the CLO's direct or indirect investment therein. Once the CLO issues its CLO Securities, the leverage is embedded in the structure of the CLO itself with the claims of the holders of each class of CLO Securities that is senior to one or more other classes of CLO Securities being senior to the claims of the holders of such subordinated classes with the most subordinate class of CLO Securities bearing the risk of loss before any more senior class of CLO Securities.

Any event that adversely affects the value of a CLO's direct or indirect investment in its loan portfolio could result in a substantial loss to the CLO and its investors, which would be greater than if such CLO was not subject to leverage. Interest or similar costs associated with such leverage will be a direct or indirect expense of the related CLO, and, to the extent not covered by net returns attributable to the Assets acquired, will cause the returns of such CLOs to be lower than if they have not used leverage. Interest or similar costs associated with leverage could be based on one or more interest rate indices, which can be different from the interest rate indices applicable to the Assets supporting such leverage. Any such mismatch will not necessarily be hedged.

- Risks related to market disruptions: In the event of widescale market disruptions and other extraordinary events in which historical pricing relationships (on which Polen CLO Management bases a number of trading positions) become materially distorted, Client portfolios managed by Polen CLO Management may incur major losses. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets, many positions may become illiquid, making it difficult or impossible to close out positions against which the markets are moving. In addition, new investment opportunities on attractive terms are typically more limited during market disruptions. While Polen CLO Management expects that the current industry environment will yield attractive investment opportunities for its Clients

over the long-term, there can be no assurances that conditions in the global financial markets will not further worsen and/or adversely affect the investments of Clients, their access to capital, or their overall investment performance. In the event of price deterioration within the high yield market or the onset of a global recession more generally, the value of a Client's investments may not appreciate as projected or may suffer a loss.

- Risks related to issuer misrepresentations and fraud: Polen CLO Management's implementation of its investment strategies relies to a material extent on the financial information made available by the management of the issuers of securities in which Clients invest, as well as the related representations and warranties made by such issuer in the underlying credit documentation. Polen CLO Management generally does not have the ability or resources to independently verify or audit the financial information disseminated by the numerous issuers in which its Client accounts may invest, and accordingly it is dependent upon the integrity of both the management of these issuers and such issuers' financial reporting process in general. Recent industry events have demonstrated that investors may incur material losses as a result of corporate mismanagement and fraud as well as accounting and reporting irregularities by issuers of both debt and equity securities.
- Risks related to systems and other operational disruptions: Polen CLO Management relies extensively on computer systems to trade, clear and settle securities transactions on behalf of its Clients, to evaluate securities based on real-time trading information, to maintain ongoing compliance with applicable Client investment guidelines, to monitor the performance of Client portfolios, to perform applicable back-office accounting functions, and to generate reports that are critical to the oversight of its investment management activities. In addition, certain of Polen CLO Management's operations interface with or depend upon systems and services (including "cloud" based storage and other services) operated by third parties, including Client custodians as well as various market counterparties and third-party data providers. Although Polen CLO Management has established a formal third-party vendor monitoring program, Polen CLO Management's effective management of its Client portfolios is nonetheless susceptible to a defect or failure in any of these systems that are provided by vendors and other third parties. Accordingly, the failure of any of these systems, regardless of whether or not Polen CLO Management is at fault, could result in investment losses to its Clients. In addition, Polen CLO Management is subject to the risk that such systems cease to be available, for example, due to the insolvency of the provider, the discontinuation of services or software updates, or the interruption of communication access. In such circumstances, Polen CLO Management would seek to obtain, to the extent practicable, equivalent hardware, software, and services from an alternative supplier, which could take time to accomplish and which could also result in investment losses to Clients.
- Risks related to legal, regulatory, and tax changes: CLOs can be adversely impacted by legal, regulatory and tax changes that impact the leveraged lending business or market, the businesses or operations of loan obligors, the CLO market, CLOs or their investors. The regulation of all of these activities has undergone substantial change in recent years and such changes can be expected to continue. The effect of new or changed regulations on these activities, while impossible to predict, could be substantial and adverse to CLOs and to CLO investors and could, directly or indirectly, subject leveraged loans in which CLOs invest and/or CLOs to changes in structure and/or capitalization and increased fees and expenses, as well as limit the types of investors who could be interested in investing in CLOs. The full effect of recent and future legislation cannot yet be known.

Laws and regulations, particularly those involving taxation, investment and trade, applicable to the leveraged loan market and to private funds can change quickly and unpredictably and could at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the CLOs, and/or their investors. It is impossible to predict what, if any, changes in regulation applicable to Polen CLO Management, the CLOs, the debt obligations in which CLOs invest, the markets in which CLOs or their debt obligations trade or the counterparties with which they do business could be instituted in the future. Polen CLO Management, the CLOs and/or the leveraged loan market could be or become subject to unduly burdensome and restrictive regulation.

CLOs can also indirectly be affected by regulation of banks, particularly as it affects their lending to the leveraged loan market, and other financial institutions and financial services firms with which the CLOs do business, obtain financing or other services or seek to acquire or dispose of loans or sell CLO Securities. The regulatory regimes applicable to the firms with which CLOs do business can affect the availability and type of leveraged loans able to be acquired by CLOs, the number of institutions with which CLOs can trade their Assets, increased CLO borrowing costs or limits on the terms or availability of credit, affect the terms, pricing and/or liquidity of CLO Securities, or have other effects, which could be adverse to the interests of the CLOs and of their investors.

- Risks related to “cybersecurity” incidents: Polen CLO Management’s operations rely on the secure processing, storage, and transmission of confidential and other information in its computer systems and networks. Although Polen CLO Management employs protective measures to safeguard its data, and attempts to modify and update them as circumstances warrant, the security of its computer systems, software and networks may be vulnerable to breaches, unauthorized access, misuse, computer viruses or other malicious code, and other similar events that could have a security impact. Additionally, breaches of Polen CLO Management’s information security system may occur through intentional or unintentional acts by those having authorized or unauthorized access to the confidential information of either Polen CLO Management or its Clients. Any such failure or breach could have a material adverse effect on both Polen CLO Management and its Clients, as well as their respective affiliates. For example, systems failures, information security incidents or cybersecurity breaches could cause settlement of trades to fail, lead to inaccurate accounting, recording, or processing of trades, and cause inaccurate reports, which may affect the ability of Polen CLO Management to accurately monitor its Clients’ investment portfolios and risks. Cybersecurity breaches may cause (i) disruptions and impact business operations, potentially resulting in financial losses to Clients; (ii) interference with Polen CLO Management’s ability to calculate the value of a Client’s investment; (iii) impediments to trading; (iv) the inability of Polen CLO Management and other service providers to transact business; (v) violations of applicable privacy and other laws; (vi) regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; and (vii) the inadvertent release of confidential information. Furthermore, depending on an assessment of the evolving nature of cybersecurity threats, Polen CLO Management may be required to expend significant additional resources to modify its existing protective measures or to investigate and remediate vulnerabilities or other exposures arising from operational and security risks. Finally, notwithstanding the adoption of certain information security procedures, Polen CLO Management may be subject to litigation and financial losses that are either not insured against or not fully covered through any insurance maintained by Polen CLO Management, which may adversely affect the interest of Polen CLO Management’s Clients. Although Polen



CLO Management maintains a robust disaster recovery plan designed to minimize the impact associated with such cybersecurity events, during any such disruption, portfolios managed by Polen CLO Management on behalf of its Clients may suffer losses.

- Risks related to catastrophic and geopolitical events: Occurrence of global events similar to those in recent years, such as war (including, without limitation, the current conflicts between Russia and Ukraine and Israel and Hamas), terrorist attacks, natural or environmental disasters, country instability, infectious disease epidemics, such as that caused by COVID-19, market instability, debt crises and downgrades, banking failures, embargoes, tariffs, sanctions, and other trade barriers and other governmental trade or market control programs, the potential exit of a country from its respective union and related geopolitical events, may result in market volatility and may have long-lasting impacts on both the U.S. and global financial markets. More locally, Polen CLO Management's business operations are subject to interruption by fire, power shortages, natural disasters, and other events beyond its control. Some of these events may adversely affect the ability of a party to perform its obligations to Polen CLO Management until it is able to remedy the "force majeure" event. These risks could, among other effects, adversely impact the cash flows available from companies in which Polen CLO Management may invest, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to these investments of repairing or replacing damaged assets resulting from such "force majeure" event could be considerable. These types of events that are incapable of or are too costly to cure may have a permanent adverse effect on any investment held by Client accounts. Certain events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the operations of Polen CLO Management are located. Although Polen CLO Management maintains a robust disaster recovery plan to minimize the impact associated with such cybersecurity events, during any such disruption, Clients may suffer losses.
- Risks related to counterparty exposure: Polen CLO Management executes its transactions primarily in the "over-the-counter" or "inter-dealer" markets. The participants in such markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of "exchange-based" markets. As a result, Clients are exposed to the risk that a counterparty will not settle a transaction due to a credit or liquidity problem, thus causing such Clients to suffer a loss. In addition, in the case of a counterparty default, Clients could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated where Polen CLO Management has concentrated its transactions with a single counterparty or a small group of counterparties. Polen CLO Management is typically not restricted from dealing with any particular counterparty or from concentrating any or all of its Client transactions with one counterparty. Moreover, Polen CLO Management has a limited internal credit function to evaluate the creditworthiness of its counterparties. The ability of Polen CLO Management to transact business with any one or more counterparties, the absence of a regulated market to facilitate settlement, and the lack of complete evaluation of such counterparties' financial capabilities may increase the potential for losses by Clients.
- Risks related to reliance on certain key persons: The investment performance achieved by Polen CLO Management on behalf of its Clients depends largely on the skill of key Polen CLO Management personnel, including, without limitation, its portfolio manager(s) and other

senior members of the Polen CLO Management investment team. If any such key persons were to no longer provide services to Polen CLO Management for any reason, Polen CLO Management might not be able to find equally desirable replacements and the investment performance of the portfolios managed by Polen CLO Management on behalf of its Clients could, as a result, be adversely affected. Further, if the Clients managed by Polen CLO Management were to incur significant losses in their portfolios, the revenues of Polen CLO Management may decline substantially, impairing Polen CLO Management's ability to retain its personnel, provide the same level of service to its Clients, and continue its ongoing investment advisory operations.

**The foregoing discussion of certain risk factors does not purport to be a complete explanation of the risks involved with investing in a CLO or in other products managed by Polen CLO Management. A prospective investor should evaluate each of these risks, as well as any other risks related to the specific investment type, and is encouraged to consult its own financial advisors and legal and tax professionals on an initial and continuous basis in connection with selecting and investing in CLOs managed by Polen CLO Management.**

## **Item 9      Disciplinary Information**

Polen CLO Management does not believe that there are any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of either Polen CLO Management's investment advisory business or the integrity of its management.

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

Except as set forth as follows, Polen CLO Management does not have any material financial industry affiliations or relationships with any related person or other advisory affiliate.

### Material Relationships

Polen CLO Management is controlled by Polen Credit, an investment adviser also registered with the SEC that owns 100% of the Management Series of Polen CLO Management. Polen Credit is a wholly-owned subsidiary of Polen Capital, which is also an investment adviser registered with the SEC. Polen Capital is employee controlled and has established a management committee, which is controlled by Stanley C. Moss, the chief executive officer of Polen Capital, Polen Credit, and Polen CLO Management, and Daniel Davidowitz, a portfolio manager and analyst at Polen Capital. In the ordinary course of its communications with prospective CLO investors, Polen CLO Management may recommend such investors to either Polen Capital or Polen Credit; however, Polen CLO Management is not separately compensated by Polen Capital or Polen Credit with respect to any such referral or successful engagement.

Polen GP, a Delaware limited liability company wholly-owned by Polen Credit, is an affiliate of Polen CLO Management and serves as the general partner of the Polen CLO Equity Fund, which invests in the CLOs managed by Polen CLO Management.

Polen Capital has entered into an affiliate employee agreement with Polen CLO Management and Polen Credit (the "Affiliate Employee Agreement") pursuant to which Polen Capital shares personnel and performs certain back-office, credit analysis, and reporting functions, among other services necessary for Polen CLO Management and Polen Credit to each render services to their respective

clients. Polen Capital is authorized to charge Polen CLO Management and/or Polen Credit for these personnel sharing and other services, some or all of which may be borne indirectly by CLOs in the form of expenses related to the CLO's operations. Polen Capital can terminate the Affiliate Employee Agreement upon prior written notice to Polen CLO Management. Termination of the Affiliate Employee Agreement would impede the ability of Polen CLO Management to provide advisory services to its Clients. Polen Capital personnel provide services to a number of portfolios, many of which pursue investment strategies that are similar or substantially similar to one another, and to multiple registered investment advisers. As a result, Polen Capital personnel may encounter conflicts of interest in allocating their time and resources across portfolios and advisers.

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

### Summary of Code of Ethics of Polen CLO Management

Polen CLO Management's reputation for integrity and ethics is one of its most important assets. In order to safeguard this reputation, it is essential for Polen CLO Management and all of its personnel to not only comply with relevant federal and state securities laws and regulations but also to maintain the highest standards of personal and professional conduct at all times. Polen CLO Management and its affiliates, Polen Capital and Polen Credit, have adopted a single Code of Ethics (the "Code of Ethics") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended ("Advisers Act"). The Code of Ethics is designed to ensure that the conduct of Polen CLO Management and its personnel is at all times consistent with these values, with Polen CLO Management's fiduciary obligations to its Clients, and with industry and regulatory standards for investment advisers.

The basic principles underlying the Code of Ethics are as follows:

- The interests of Polen CLO Management's Clients are paramount.
- All Polen CLO Management personnel must take great care to avoid any potential conflict of interest or the appearance of any impropriety in his or her personal actions.
- No Polen CLO Management personnel should take inappropriate advantage of information that he or she learns through his or her position with or on behalf of a Client, whether or not such actions would result in a loss to the Client.
- All Polen CLO Management personnel are required to comply with applicable federal securities laws.
- All Polen CLO Management personnel shall maintain the confidentiality of any information gained by reason of his or her role and shall not use such information in a manner detrimental to Polen CLO Management or its Clients.
- Personnel must promptly report any potential or actual violation of the Code of Ethics to the Chief Compliance Officer (or an authorized designee).

In order to implement these basic principles, the Code of Ethics contains detailed rules, including both prohibitions as well as preclearance procedures with respect to certain personal securities transactions that are applicable to all personnel of Polen CLO Management.

Generally, such rules prohibit Polen CLO Management personnel from front-running Client transactions, or otherwise using knowledge about pending or currently considered securities transactions for Clients to profit personally, either directly or indirectly, as a result. More specifically, the Code of Ethics prohibits personal trading in fixed income securities of high yield issuers, as ownership of such securities may present an actual or potential conflict of interest with certain Client objectives. The Code of Ethics also requires preclearance prior to execution by all Polen CLO Management personnel with respect to personal trading in several types of securities, including without limitation investments in common stock, bonds, and options as well as any security offered in an initial public offering or in a limited offering, such as a private placement transaction. Furthermore, given Polen CLO Management's affiliation and close integration with Polen Capital and Polen Credit, personnel of Polen CLO Management are subject to certain additional restrictions designed to prevent them from front-running or otherwise using knowledge about pending or currently considered securities transactions for clients of Polen Capital or Polen Credit for their own personal benefit.

Compliance with the Code of Ethics by Polen CLO Management's personnel is monitored and enforced by compliance personnel, who utilize an automated trade preclearance and reporting system via a web-based compliance portal that is accessible by all Polen CLO Management personnel. Prior to the execution of any personal transaction in those securities that are covered under the Code of Ethics, Polen CLO Management personnel must preclear such trade through the system's web-based portal. This automated preclearance system has been programmed to incorporate the ongoing rules and other restrictions with respect to personal trading in securities by Polen CLO Management personnel that are set forth in the Code of Ethics. Upon the entry of a preclearance request, the preclearance system will either approve a requested personal securities transaction if no rule prohibition is triggered, or otherwise forward the pending trade request to Polen CLO Management's Chief Compliance Officer (or an authorized designee) for further review in the event that the system has identified an issue potentially in conflict with the rules designated within the Code of Ethics.

Polen CLO Management generally requires that each of its personnel report to the Chief Compliance Officer (or an authorized designee) all personal brokerage accounts through which covered securities can be purchased or sold. Polen CLO Management then instructs the broker for such accounts to establish an electronic data feed that flows directly into the automated compliance system. Such an electronic feed provides a record of each personal securities transaction by such Polen CLO Management personnel, thereby enabling the Chief Compliance Officer (or an authorized designee) to verify compliance (via the automated system) with Polen CLO Management's personal trading procedure as set forth in the Code of Ethics. In limited circumstances to the extent that a broker is unable to establish such an electronic data feed with respect to a personal account, Polen CLO Management may nonetheless impose similar personal trading restrictions (as well as reporting requirements) on such personnel consistent with the requirements of the Code of Ethics.

Failure to obtain appropriate preclearance for personal transactions in securities covered under the Code of Ethics constitutes a serious breach of Polen CLO Management's rules. The ensuing disciplinary action taken by Polen CLO Management, which may include warnings, suspension of personal securities trading privileges, fines, disgorgement of profits, and suspension and termination, as well as the referral to civil or criminal authorities where appropriate, will depend on the applicable facts and surrounding circumstances following a review by Polen CLO Management's Chief Compliance Officer (or an authorized designee).

Notwithstanding the foregoing, to the extent that a member of Polen CLO Management's personnel has established a personal brokerage account over which such member has no direct or indirect influence or control (*e.g.*, a personal account managed on a fully discretionary basis by a financial adviser unaffiliated with the personnel), Polen CLO Management may, in its sole discretion, exempt any personal transactions and securities holdings with respect to such non-discretionary accounts from the preclearance and reporting requirements, respectively, under the Code of Ethics. The Chief Compliance Officer (or an authorized designee) must pre-approve any such exemptions in order to confirm such arrangement's compliance with both the regulations under the Advisers Act as well as applicable SEC guidance. The Chief Compliance Officer (or an authorized designee) also periodically reviews such personal trading arrangements in an effort to confirm that they are not otherwise designed to circumvent the applicable personal trading requirements under the Code of Ethics. However, given the investments targeted by Clients of Polen CLO Management, Polen CLO Management believes that it is very unlikely that there will be any meaningful overlap with the investments targeted by Polen CLO Management personnel in their personal accounts.

The Code of Ethics requires that each of Polen CLO Management's personnel complete, via the web-based portal, a quarterly certification with respect to any covered personal securities transactions, as well as a certification with respect to all covered personal securities holdings upon an individual's initial employment with Polen Capital and then annually thereafter.

Upon request, Polen CLO Management will provide any client or prospective client with a copy of its Code of Ethics.

#### Policy and Procedure with respect to the Flow and Use of Material Non-Public Information

Polen CLO Management also maintains a Policy and Procedure with respect to the Flow and Use of Material Non-Public Information (the "MNPI Policy"), which is designed to provide for the proper handling of material non-public information about companies as well as prevent the misuse of such information by Polen CLO Management and its personnel. It is a violation of the MNPI Policy for such personnel to knowingly trade or recommend a trade in securities on the basis of material non-public information, whether for his/her own account, on behalf of any Client account managed by Polen CLO Management, or for any other person, whether or not such actions would violate federal securities laws. In addition, the MNPI Policy provides that it is a violation to tip such information to others, whether or not such actions would violate federal securities laws. Exceptions, which must be approved by the Chief Compliance Officer (or an authorized designee), are only granted to the extent consistent with applicable law. Polen CLO Management also programs both its trade order management system and its automated Code of Ethics compliance system to flag any Client trade orders or personal trading preclearance requests, respectively, that include securities issued by companies that Polen CLO Management has placed on Polen's "Restricted List". The Chief Compliance Officer, together with other personnel within Polen's legal & compliance department, is responsible for monitoring and reviewing compliance with the MNPI Policy.

In an effort to ensure that all personnel are cognizant of their responsibilities under the Code of Ethics and the MNPI Policy, Polen CLO Management requires that each newly-hired person meet with compliance personnel to review the material requirements of the Code of Ethics and MNPI Policy shortly following their initial employment date with Polen Capital. Furthermore, from time to time, on an annual basis each person must attend or complete supplemental compliance training to review such requirements. Finally, upon employment with Polen Capital and on an annual basis thereafter,

Polen CLO Management's personnel are required to certify, via the web-based portal, as to their ongoing compliance with the Code of Ethics and the MNPI Policy.

#### Participation or Interest in Client Transactions

In certain instances, Polen CLO Management may recommend that its Clients invest in securities in which an affiliate of Polen CLO Management has a material financial interest. A conflict of interest may arise because Polen CLO Management has an incentive to direct additional client assets to portfolio company investments in which itself and/or its affiliates have a material financial interest. Furthermore, Polen CLO Management may be incentivized to make different investment and trade allocation decisions than it would if such parties did not have such financial ownership interests.

To address this conflict, Polen CLO Management has adopted written initial order and allocation guidelines, as further outlined in Item 6 of this Brochure, that are intended to provide for a fair and equitable allocation of purchases and sales of investments amongst Clients. Furthermore, the Code of Ethics requires that Polen CLO Management personnel (including, without limitation, its portfolio manager(s)) place the interests of Polen's clients first, and on an annual basis, Polen CLO Management personnel must certify that he or she has read and understands the Code of Ethics and has complied with its provisions. Although Polen CLO Management does not believe that any material conflict of interest is likely to arise as a result of Polen CLO Management recommending that its Clients invest in securities in which Polen CLO Management or an affiliate has a material financial interest, to the extent that Polen CLO Management believed that its interests were not aligned with the interests of its Clients, Polen CLO Management would disclose the appropriate facts and circumstances related to such investment allocation to the affected Client(s) before executing any transaction.

#### Gifts and Entertainment; Outside Business Activities

From time to time, brokers and other service providers to Polen CLO Management and its Clients may provide personnel of Polen CLO Management with non-monetary gifts as well as certain customary business entertainment, which Polen CLO Management believes improves the quality of such working relationships and accordingly benefits its Clients. Nonetheless, the Code of Ethics contains certain restrictions regarding the receipt of such gifts and entertainment that are reasonably designed to minimize any associated actual or potential conflicts of interest. The overriding principle governing the behavior of Polen CLO Management personnel in this area is that they may not accept gifts or entertainment as a "*quid pro quo*" or condition of doing business with the provider. More specifically, gifts and entertainment (both received as well as given) over a specified dollar value are not permitted without obtaining the approval of the Chief Compliance Officer of Polen Capital (or an authorized designee). In addition, gifts and entertainment over \$50 in value from a single service provider must be reported to the Chief Compliance Officer via the web-based compliance portal.

In addition, Polen CLO Management personnel are also discouraged (or, in certain cases, outright restricted) from participating in outside business activities, including, without limitation, any activity that conflicts with Polen CLO Management's interests, encroaches on normal working time or otherwise impairs performance. In addition, in light of potentially conflicting fiduciary duties as well as conflicting time demands, any Polen CLO Management personnel seeking to serve on the board of directors of a company must obtain the prior approval of the Chief Compliance Officer of Polen Capital (or an authorized designee), which approval is not generally granted unless it is determined that such

service would be in, or not otherwise conflict with, the best interests of Polen CLO Management's Clients.

Polen CLO Management requires that its personnel periodically certify their compliance with these procedures through the web-based compliance portal.

#### Political Contributions

Polen CLO Management has adopted a policy in compliance with Rule 206(4)-5 under the Advisers Act that restricts itself and all of its personnel (as well as their partners and dependent children) from (i) making any direct or indirect contributions (including in-kind contributions) to any incumbent, candidate, or successful candidate for elective office of a government entity, or (ii) soliciting contributions for any political party. The purpose of this policy is to preemptively address any potentially abusive "pay-to-play" practices involving the solicitation by Polen CLO Management or its personnel of business from various state and local governmental entities, such as public pension plans, that may also serve as Clients or prospective investors of Polen CLO Management. Personnel of Polen CLO Management must also certify their political contribution activities to Polen CLO Management on an annual basis via the web-based compliance portal. The Chief Compliance Officer of Polen Capital is responsible for overseeing compliance with this policy.

#### Whistleblower

Polen CLO Management believes that its personnel form an integral part of Polen's internal control system. Accordingly, Polen CLO Management has adopted a whistleblower policy, which is designed to comply in all respects with the applicable whistleblowing requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

## **Item 12 Brokerage Practices**

The Assets bought and sold on behalf of the CLOs typically trade at a bid/ask spread and without an explicit brokerage charge. While the CLOs do not pay commissions or other formal trading expenses of the sort associated with more traditional equity market transactions, the CLOs bear the implicit trading costs reflected in these spreads. Polen CLO Management seeks "best execution" for client transactions. Best execution generally refers to the execution of portfolio transactions in such a manner that total cost or proceeds in each transaction is the most favorable under the circumstances. The SEC defines best execution to include "qualitative considerations," not merely the lowest possible execution cost.

#### Best Execution

Polen CLO Management generally has authority to determine the assets to be bought or sold for Clients and the broker, dealer, or other trading venue through which such transactions are executed, in each case subject to Client's governing documents.

Polen CLO Management maintains an "Approved Brokers List" and, absent special circumstances, only executes trades with brokers that are included on such list. Any proposed, one-off trade with a counterparty not on the Approved Brokers List requires the approval of the Chief Compliance Officer (or an authorized designee). To the extent that the trading team desires to add a new broker to the Approved Brokers List, Polen CLO Management will first perform a diligent onboarding process

(including a review, to the extent attainable, of a broker's FOCUS report together with its regulatory and disciplinary history). Following the favorable completion of this process, Polen CLO Management will update its Approved Brokers List by adding such broker, and then permit trading with such counterparty accordingly.

In selecting brokers for Client transactions, Polen CLO Management attempts to seek the best overall combination of price and execution of purchase or sale orders under each possible circumstance (unless otherwise provided in the governing documents with respect to a particular client account). The best net price, after giving effect to brokerage commissions, spreads, and other costs, is typically the most important factor in this decision, but a number of other judgmental facts will be considered by the Polen CLO Management trader as they are deemed relevant. For example, consideration may be given to the reputation, perceived soundness, and performance of the various firms, their demonstrated execution capability, both generally and in regard to particular securities transactions, and their proposed commission charges (to the extent the commission is not otherwise built into the net price), as well as other factors, including the nature of the security or instrument being traded, the size and type of the transaction, the nature and character of the markets for the security or instrument to be purchased or sold, the desired timing of the trade, the activity existing and expected in the market for the particular security or instrument, confidentiality, and the brokerage firm's clearance and settlement capabilities.

Polen CLO Management executes all fixed income trades on behalf of its clients on a net basis. Accordingly, broker counterparties do not charge CLOs a separate commission on a fixed income trade; rather, the commission is embedded within the purchase or sale price (as reflected in the applicable bid/ask spread). Polen CLO Management's determination of what constitutes a reasonable bid/ask spread (to the extent that such information is available) is based on the knowledge of its experienced traders regarding competitive rates paid and charged for similar transactions in the market.

#### Research and Other Soft Dollar Benefits

When it appears that a number of brokerage firms can satisfy the required standards with respect to a particular transaction, Polen CLO Management may also consider research services that such firms have provided in the past or may provide in the future. Such research services may include the provision of supplemental investment research, including information on particular securities or individual companies, legal interpretations and legal developments affecting portfolio securities, investments or issuers, general, economic and political information, analytical and statistical data, relevant market information and market quotations in connection with the analysis of securities. However, in the context of the high yield and leveraged loan markets, Polen CLO Management typically does not consider these potential research services when evaluating which brokerage firm can provide its clients with best execution for any particular trade.

Polen CLO Management does not currently purchase third-party research or research-related products on a soft dollar commission basis. To the extent that Polen CLO Management institutes a soft dollar relationship with any broker-dealer, Polen CLO Management, under the direction of its Chief Compliance Officer, would comply with the safe harbor regarding the use of client funds to purchase certain research services as established by Section 28(e) of the Securities Exchange Act of 1934, and as such safe harbor was clarified by the SEC interpretive release effective as of July 24, 2006. At this time, Polen CLO Management does not anticipate instituting a soft dollar engagement with any broker-dealer.



### Brokerage for Client Referrals

In selecting or recommending broker-dealers for client transactions, Polen CLO Management does not consider the possibility of client referrals from any broker-dealer. Polen CLO Management does not expect broker-dealers to serve as a source of client referrals.

### Initial Order and Allocation Guidelines

For a description of Polen CLO Management's written initial order and allocation guidelines, which govern how Polen CLO Management allocates investment opportunities amongst its client accounts, please reference *Item 6* under the section entitled "*Allocation of Trades*".

### Aggregation of Orders

Occasions may arise when Polen CLO Management (together with its affiliates, as appropriate) determines to purchase or dispose of an investment for more than one client, including the aggregation of orders for clients of both Polen CLO Management and Polen Credit. In most instances, aggregation of trade orders results in lower commissions, a more favorable net price, and/or more efficient execution than separately placing trade orders for each of account. When Polen CLO Management (together with its affiliates, as appropriate) deems the purchase or sale of an investment to be in the best interests of a number of clients, such an order will typically be aggregated (as either a purchase or a sale) among those client accounts in an effort to obtain best execution and lower brokerage commissions in such manner as Polen CLO Management (and its affiliates) deems equitable and fair to its clients. In such circumstances, each client of Polen CLO Management participating in an aggregated order will participate at the same price as all other participants, and all transaction costs associated with the order will be allocated *pro rata* to all participating clients.

### Trade Errors

It is Polen CLO Management's practice that its trading and accounting personnel implement all investment decisions carefully. Nevertheless, trading, settlement or other operations-related errors may occur as a result of mistakes made on the part of Polen's personnel including, but not limited to, portfolio managers, traders, and members of the operations or compliance staff. If a trading, settlement, or operations-related error occurs, it is Polen CLO Management's policy that such error be corrected as soon as possible and, subject to the applicable standard of care, in such a manner that the affected Client is not disadvantaged and bears no loss. Any error that results in a gain following such correction will be credited to the affected Client.

In the event of the discovery of such an error involving a client account managed by Polen CLO Management, applicable trading and/or operations personnel will promptly investigate the matter and, if appropriate, convene a meeting of senior Polen CLO Management operations and compliance personnel to (x) determine the cause of the error; (y) assess whether a Client incurred a loss (and if so, to determine any remedial action to be taken, including any notification to the affected client); and (z) recommend, if appropriate, any changes to existing procedures in an effort to prevent a similar error from recurring in the future. In all instances, the Chief Compliance Officer will be notified at or promptly after the time that the error is discovered, and to the extent that any remedial action is proposed, the Chief Compliance Officer, together with other senior personnel at Polen, will approve of such resolution. While Polen CLO Management is responsible for its own trade errors, it

is generally not responsible for the errors of other persons with whom Polen CLO Management conducts business on behalf of its Clients, including third party brokers and custodians.

## **Item 13    Review of Accounts**

### Account Reviews

Generally, each portfolio is managed and reviewed by Polen CLO Management's portfolio management team. As a general rule, such portfolios are reviewed by Polen CLO Management's investment professionals on a daily basis. In addition, the portfolio manager(s), together with the other investment professionals, meet on both an *ad hoc* and a regular basis to discuss specific positions held by, and potential investments for, the Clients. Performance is likewise monitored by such investment professionals.

In addition, Polen CLO Management utilizes an automated compliance system, which is embedded within Polen's trade order management system and accordingly monitors each Client account for applicable investment guideline compliance on a real-time basis. The purpose of this automated compliance system is to screen individual transactions to prevent inadvertent trade allocations to Client accounts that would otherwise breach a specific investment restriction or guideline as outlined in a Client's CLO Documents. Following the entry of any proposed order that triggers a pre-trade compliance alert within the trade order management system, a member of Polen CLO Management's compliance department must resolve such alert before the order is cleared within the system and a Polen CLO Management trader is accordingly authorized to execute such trade with a counterparty. In addition to the foregoing, on a daily basis each night, the compliance system conducts an automated post-trade compliance review to similarly confirm end-of-day compliance with such client-imposed investment restrictions and guidelines. Each ensuing trading day, Polen CLO Management compliance personnel review any issues identified as part of this daily post-trade process performed the night before (*e.g.*, a passive breach of a client guideline as a result of market movements or client subscription/redemption activity), and, as appropriate, elevate any flagged items to the portfolio manager(s) responsible for managing the client account as well as to the Chief Compliance Officer. Depending on the nature of the issue, such individuals may then collectively recommend remedial portfolio transactions in a manner consistent with the client's governing documents.

For each CLO, the CLO's trustee prepares schedules of fees and expenses, distributions, and dividends (the "priority of payment waterfalls"), which are reviewed and agreed to by Polen CLO Management's operations personnel. The trustee of each CLO provides investors with monthly and quarterly written reports as described in the CLO Documents for each Client. Polen CLO Management could also furnish reports to the trustees of the CLOs.

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

Polen CLO Management does not maintain any active arrangements with third-party solicitors. With respect to any potential future fee sharing arrangements with third-party solicitors, Polen CLO Management will fully comply with the applicable provisions of the Advisers Act.

In the ordinary course of business, Polen CLO Management as well as its personnel may receive corporate gifts or meals and entertainment, such as tickets to cultural and sporting events or

invitations to golf outings, from service providers that conduct business with Polen CLO Management and/or its affiliates. The receipt of such gifts and other benefits is subject to certain limitations under the Code of Ethics, as set forth in *Item 11* under the section entitled “*Gifts and Entertainment; Outside Business Activities*”. With the exception of the foregoing, which Polen CLO Management believes to be customary and not excessive, no third party presently provides any economic benefit to Polen CLO Management for providing investment advisory services to Polen CLO Management’s Clients.

Consistent with its duties to its Clients, Polen CLO Management endeavors at all times to place the interests of its Clients first.

## **Item 15 Custody**

Polen CLO Management does not intend to have custody over any of the CLOs to which it provides advisory services. All funds and instruments owned by CLOs are maintained by qualified trustees.

## **Item 16 Investment Discretion**

The governing documents for each Client grant Polen CLO Management discretion to manage the Client’s portfolio, subject to the detailed description of the Client’s specific investment objectives, eligibility criteria and investment guidelines, policies, and restrictions set forth therein. While Polen CLO Management has sole discretion to pursue any investment strategy on behalf of a Client that is not prohibited by the applicable governing documents, and to modify the strategy from time to time in the future without the approval of or prior consultation with any other person, governing documents can and typically do include restrictions. In particular, CLO Documents typically place significant restrictions on Polen CLO Management’s ability to buy and sell collateral obligations on behalf of the CLO. Accordingly, as a result of such restrictions, Polen CLO Management could be unable to buy or sell assets on behalf of a CLO or to take other actions which it might otherwise consider in the best interests of such CLO and the holders of CLO Securities.

Polen CLO Management neither tailors its advisory services to the individual needs of any investor nor accepts investor-imposed investment restrictions. Therefore, investors must consider whether a particular CLO meets their investment objectives and risk tolerance prior to investing.

## **Item 17 Voting Client Securities**

Polen CLO Management expects to be granted authority to vote proxies or exercise consents for each Client, which includes voting on proposals, amendments, consents, or resolutions solicited by or in respect to the issuers of securities, including bank loan debt instruments. Because Polen CLO Management’s Clients primarily hold fixed income, rather than equity, securities, Polen CLO Management does not expect to typically vote proxies. Polen CLO Management also exercises discretion that it deems appropriate and in the best interests of its Clients with respect to other corporate action events. These actions may include, for example, responding to debt exchanges, tender offers or consents, bankruptcy claims and class action claims, as well as voting with respect to an issuer’s plan of reorganization.

Nonetheless, in accordance with Rule 206(4)-6 under the Advisers Act, Polen CLO Management has adopted and implemented certain written proxy voting policies and procedures, which Polen CLO Management believes are reasonably designed to ensure that proxies are voted in the best interests

of its Clients. To the extent that a Polen CLO Management Client has provided Polen CLO Management with the authority to vote proxies, Polen CLO Management votes such proxies on behalf of its Clients based on its judgment as to what voting decision is most likely to maximize total return to the Client as an investor in the issuer whose securities are being voted. Polen CLO Management reviews and makes a voting decision on each matter presented in such proxy on an individual, case-by-case basis.

It is possible that Polen CLO Management may encounter a conflict of interest with respect to a matter to be voted upon in a proxy, though given the limited amount of investing by Polen CLO Management's Clients in public equity securities, such circumstances would be very rare. However, if the investment professional responsible for recommending a proxy vote identifies a potential material conflict of interest, such individual (and/or Polen's internal proxy administrator) shall notify the Chief Compliance Officer. In the event that the Chief Compliance Officer concludes that a material conflict of interest exists, Polen CLO Management generally would request a waiver of such conflict or other specific voting instructions from the Client, an authorized representative of the Client, or an appropriate third party. In the event that the Client(s), Client representative(s), or other third party, as the case may be, do not desire to direct the vote of the proxy matter in question, Polen CLO Management may, as circumstances warrant, take other steps, such as consulting with its outside legal counsel or an independent third party service, which steps are designed to result in a decision that is demonstrably based on the Client's best interests and not the product of the conflict.

If any Client would like additional information regarding how Polen CLO Management has voted on specific proxies, or a copy of its proxy voting policies and procedures, please send a written request to the attention of Joshua McCarthy, Chief Compliance Officer, at Polen Capital CLO Management, LLC, 1075 Main Street, Suite 320, Waltham, MA 02451, or via email to Mr. McCarthy at [walthamlegal@polencapital.com](mailto:walthamlegal@polencapital.com).

## **Item 18 Financial Information**

Registered investment advisers are required in this Item to provide their clients with certain financial information or disclosures about their financial condition.

Polen CLO Management does not require any of its clients to prepay its fees six months or more in advance.

At the present time, Polen CLO Management does not believe that there is any financial condition affecting Polen CLO Management that is reasonably likely to impair its ability to meet its ongoing contractual commitments to its clients.

Since its inception in 2024, Polen CLO Management has not been the subject of a bankruptcy proceeding.