

Invesco Credit Partners Opportunities 2023 Fund

Information Memorandum

Issued 23 June 2023

ARSN 667 020 304
APIR GTU1669AU

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1. Important Notices and Disclaimers

About this Information Memorandum

IM Date: 23 June 2023

ARSN: 667 020 304

APIR: GTU1669A

This document (the 'Information Memorandum' or 'IM') relates to the Offer to subscribe for Units in the Invesco Credit Partners Opportunities 2023 Fund ('Australian Fund'). Capitalised terms, unless stated elsewhere in this document, are defined in the Glossary. This IM is to be read together with the Underlying Fund PPM.

The Offer under this IM is made by Invesco Australia Limited (ABN 48 001 693 232) ('Invesco' or 'Responsible Entity') as responsible entity and trustee of the Australian Fund. Invesco holds Australian Financial Services Licence number 239916. Invesco is a wholly owned subsidiary of Invesco Ltd, which is listed on the New York Stock Exchange under the symbol 'IVZ'.

In this IM, "we", "our" and "us" are references to "Invesco" and "you" and "your" are references to a potential investor in the Australian Fund or a unitholder in the Australian Fund.

Unless otherwise defined in this IM or the context otherwise requires, capitalised expressions have the meaning given in the Underlying Fund PPM.

Wholesale Clients & Sophisticated Investors Only

The Offer to invest in the Australian Fund contained in this IM is only to be made available to Wholesale Clients as defined in section 761G or sophisticated investors as defined in section 761GA of the Corporations Act 2001 (Cth) ('Corporations Act'). Each recipient of this IM represents and warrants that it is and at all times will be a Wholesale Client or sophisticated investor for the purposes of the Corporations Act. The Offer is only available to persons receiving a copy of this IM (electronically or otherwise) within Australia.

This is not investment advice. You should seek your own financial advice

This IM has been prepared without reference to your particular investment objectives, financial situation or needs and does not purport to contain all the information that a prospective investor may require in evaluating a possible investment with Invesco. Prospective investors should conduct their own independent review, investigations and analysis regarding an investment under this Offer and the information in this IM. This IM is not, and does not, constitute and should not be construed as constituting investment, legal or tax advice, or a recommendation or opinion regarding the merits of investing with Invesco. Each prospective investor should consult its own legal, accounting/tax or investment advisor as to the legal, tax and related matters concerning any investment.

Before considering or making a decision to invest in the Australian Fund, prospective investors should read this IM in its entirety. A prospective investor should consider the appropriateness of potential investment having regard to their objectives, financial situation and needs. Capital and investment returns are not guaranteed to an investor and any investment in the Australian Fund is subject to the risks set out in this IM. Investors do not have any cooling off rights in respect of an investment in the Australian Fund.

Confidential

This IM is being provided on a strictly confidential basis solely for the information of those persons to whom it is given for their sole and exclusive use in assessing an investment in the Australian Fund and may not be used for any other purpose. The materials, including the information contained herein, may not be copied, reproduced, republished, posted, transmitted, distributed, disseminated or disclosed, in whole or in part, to any other person in any way without the prior written consent of Invesco which may be withheld in its absolute discretion. By accepting this IM, you agree that you will comply with these confidentiality restrictions and acknowledge that your compliance is a material inducement to Invesco providing this IM to you.

Disclaimer

Past performance is not a reliable indicator of returns from the Australian Fund.

Any investment does not represent a deposit with, or liability of, Invesco or any of its related bodies corporate and is subject to investment risk, including possible delays in capital repayment and loss of income and capital invested. No person involved with the production of this IM including members of Invesco, its directors and advisors guarantee the performance of any investment with Invesco, the repayment of capital or any particular rate of return. The target return on any investment may be affected by assumptions or by unknown risks. The results of any investment may differ materially from the results anticipated. To the extent permitted by law, neither Invesco nor its directors, associates or advisors (together, Invesco Group); represents or warrants (expressly or implied) that the information herein is complete, true and correct and not misleading or likely to be misleading and you should make your own enquiries to ascertain the accuracy of any information upon which you intend to rely; or is responsible; or in any circumstances liable, for any statement made in this IM.

There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. The actual outcomes are dependent on future events which may be radically different from those predicted for reasons not within our control.

Australian and non-resident investors

The Offer is not open to any investors whose registered address is outside of Australia (or receive this offer outside Australia) unless Invesco becomes satisfied that it would be lawful to make an offer to that Investor. The distribution of this IM outside of Australia may be restricted by law and those persons who come into possession of this IM should seek their own advice, and observe any such restrictions of the laws of that jurisdiction.

Indirect Investors

The RE has authorised this IM for the use of investors who invest directly in the Australian Fund, as well as for investors who invest indirectly ("Indirect Investor") through an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ("IDPS"). When the Australian Fund is available for investment through an IDPS, this Information Memorandum may be used by any Indirect Investor whose registered address is in Australia and who is a Wholesale Client as defined in section 761G or a Sophisticated Investor as defined in section 761GA of the Corporations Act.

The platform operator (or the custodian of the platform), and not the Indirect Investor, pays for, subscribes for and holds the units in the Australian Fund. An Indirect Investor does not acquire the rights of a unitholder in the Australian Fund. The platform operator may charge additional fees. The platform operator exercises all rights in respect of the units (including with respect to any distributions) in accordance with the arrangements they have with you. The terms and conditions of the IDPS Guide or similar type of document will govern an Indirect Investor's investment through the IDPS. For all information about your investment, you will need to contact the operator of the platform through which you have invested.

Financial details

All financial amounts contained in this IM are all references to Australian dollars and expressed exclusive of any applicable GST unless otherwise stated. Any discrepancies that may occur between the components of the tables and the totals are due to rounding.

Not a Product Disclosure Statement or prospectus

Requirements relating to Product Disclosure Statements (PDS) of the Corporations Act do not apply to this Offer. This IM is not a PDS within the meaning of the Corporations Act. Accordingly, this IM does not contain the same level of disclosure as required for registered managed investment schemes that issue PDSs and is prepared on the express basis that it does not purport to contain all of the information that you may require to make an informed decision as to whether to invest in the Australian Fund or not.

You should read this IM carefully before investing and you cannot invest in this Offer unless you complete the Application Form available from Invesco.

This IM should be read in conjunction with the Constitution of the Australian Fund for further information regarding the rights and obligations of Investors in the Australian Fund and the rights and obligations of Invesco. If there are any inconsistencies between this IM and the Constitution, the Constitution will prevail.

Statements in this IM are made as at the date of this IM. Neither the delivery of this IM at any time nor the issue of any Units in the Australian Fund shall, under any circumstances, create an implication that the information contained in this IM is correct as of any other time subsequent to such date.

2. Principal Terms

The following information is presented as a summary of various key terms of the Offer and is qualified in its entirety by reference to the Fund Documents, copies of which will be provided to each prospective Investor upon request. In the event of a conflict between the terms of this summary and the Fund Documents, the Fund Documents will prevail.

Term		Section of this IM	Section of Underlying Fund PPM
Structure	The Australian Fund is an Australian unit trust and is registered with ASIC as a managed investment scheme (ARSN 667 020 304 and APIR GTU1669AU).	3	
Responsible Entity	Invesco Australia Limited (Invesco) is the Responsible Entity of the Australian Fund. Invesco is a wholly owned subsidiary of Invesco Ltd. and holds AFS licence 239916.	3	
Australian Fund Offer Closing Date	29 September 2023 or such other date determined by the Responsible Entity.		
Minimum Investment	\$20,000 (or such lower amount as accepted by Invesco in its discretion) per applicant. In the discretion of the Responsible Entity, the Responsible Entity may determine to not proceed with the Australian Fund if by the Closing Date the total of investments from all applicants under this Information Memorandum is less than \$150 million.		
Ability to Invest	Restricted to applicants that qualify as "Wholesale Clients" under Section 761G(7) of the Corporations Act or as "Sophisticated Investors" under Section 761GA of the Corporations Act. Investors will need to complete an investor eligibility declaration upon subscription.	7	

Term		Section of this IM	Section of Underlying Fund PPM
Investment Approach	<p>The Australian Fund will invest into Invesco Credit Partners Opportunities Fund 2023, L.P. ('Underlying Fund'). The Australian Fund will seek to be fully invested in the Underlying Fund, however, from time to time cash will be held by the Australian Fund. The Underlying Fund intends to seek equity-like returns by investing initially in high-quality broadly syndicated loans with the aim to completely transition the Underlying Fund's exposure to distressed assets. Accordingly, after the transition, the Underlying Fund intends to invest primarily in opportunistic distressed credit and special situations investments in small capitalisation companies that typically have a total market enterprise value of between US\$100 million and US\$500 million. The Underlying Fund may also invest in privately structured investments, debtor-in-possession loans and distressed for control positions and post-reorganisation equity (collectively, 'Investments').</p> <p>The Underlying Fund target market is global, including, but not limited to, the United States, Canada, the United Kingdom, the European Union, and Australia.</p> <p>The Underlying Fund PPM is supplementary to this IM and should be read in conjunction with it. Investors should read the Underlying Fund PPM to view a summary of the principal terms applicable to the Underlying Fund, including Section III (Executive Summary of Terms), Section VIII (Principal Terms of the Fund) and Section IX (Risk Factors) of the Underlying Fund PPM.</p>		III, VIII and IX
Investment Objective	Through investing in the Underlying Fund, The Australian Fund targets a 13 – 15% IRR net of fees in USD terms by predominantly investing in senior secured credit investments*.		III
Fees and costs	<p>The Underlying Fund will charge a management fee of 0.85% per annum plus a carried interest distribution (similar to a performance based fee) of 17.5% of profits subject to a 5% per annum preferred return with full catch up.</p> <p>Please refer to Section VIII (Principal Terms of the Fund) of the Underlying Fund PPM to view a summary of fees and costs applicable to the Underlying Fund.</p> <p>The Australian Fund will not charge any fees. The Responsible Entity or an affiliate thereof will bear any fees payable to any placement agents in connection with such placement agents' offering and sale of Units in the Australian Fund.</p> <p>The Underlying Fund will incur various Operating Expenses as defined in the Underlying Fund PPM. The Australian Fund will bear its proportionate amount of organisational and offering expenses incurred in connection with the Underlying Fund and minor transaction costs connected with investing in the Underlying Fund.</p>	4	III and VIII
Distribution frequency	<p>It is expected that the Australian Fund will distribute capital proceeds within 90 days of receipt from the Underlying Fund and intends to distribute any income at least quarterly, where available.</p> <p>The Underlying Fund has the ability to make new investments from recycled capital for a period of five years and three months from the Closing Date, (i.e. any capital returned to the Underlying Fund from dispositions of assets can be reinvested by the Underlying Fund into broadly syndicated loans, stressed or distressed investments, or held in money market assets or other cash fund used by the General Partner).</p> <p>On an annual basis the Underlying Fund will calculate the Australian Fund's share of net profit of the Underlying Fund for the current financial year of the Underlying Fund and through to 30 June, less any prior distributions to the Australian Fund during the current financial year and through to 30 June (the "Net Undistributed Profits"). The Underlying Fund will deem to have paid an amount equal to the Net Undistributed Profits to have been distributed to, and then immediately recontributed (i.e. reinvested) by, the Australian Fund, effective as of 30 June.</p>		VIII
Valuation frequency	The Australian Fund's Unit Price will be calculated on a quarterly basis utilising the net asset value for the calculation effective date. The timing of this calculation will be in line with the valuation frequency of the Underlying Fund. All Australian Fund transactions and fund reporting purposes will utilise this Unit Price.	8	

* Investors should note that past or projected performance is not necessarily indicative of future results, and there can be no assurance that the investment manager of the Underlying Fund will achieve comparable results. Investing in the Underlying Fund, via the Australian Fund, involves significant risks, including loss of investment. No representation is being made that any Investor will or is likely to achieve the results shown

Term		Section of this IM	Section of Underlying Fund PPM
Australian Fund financial year end	30 June		
Indemnities	Each of Invesco, its officers and employees is entitled to be indemnified in full from the Australian Fund's assets for any and all liabilities and losses incurred by them in the proper performance of their respective duties.	8	
Investor reporting	The Responsible Entity will provide regular reports to Investors.	8	
Liquidity	As a closed end fund, the Australian Fund is an illiquid investment. Invesco does not intend to offer any liquidity facility to Investors. Invesco may at its absolute discretion consider whether to or not register transfers of Units of any Investor wishing to dispose of their Units if the Investor has identified an eligible buyer.	5	
Cooling off	There are no-cooling off rights or cooling-off period that apply to an investment in the Australian Fund.		
Application Period	<p>The Australian Fund will be open to accept daily applications during an application period ('Application Period'). The Application Period commences on 3 July 2023 and is expected to conclude on 29 September 2023.</p> <p>The subscription price for each Unit during the Application Period will be AUD\$1.00. Application monies received will be held in AUD cash by the Australian Fund. Following the Closing Date, the Australian Fund will convert the total capital raised to USD and invest into the Underlying Fund.</p> <p>If we accept your valid instruction before the 2.30 pm AEST cut-off time on a Melbourne business day, units will generally be issued at the unit price applicable for that day. If we accept your valid instruction at or after the cut-off time, or on a day that is not a Business Day, units will generally be issued at the applicable price for the following business day.</p> <p>Invalid or incomplete application will be processed on the day that all complete information is correctly received, subject to meeting the above cut off time.</p>		VIII
Giveback Amount	<p>In certain cases where a give back requirement is imposed by the Underlying Fund, the Responsible Entity (as responsible entity for the Australian Fund) may be required to readvance the amount of any distribution previously distributed to the Responsible Entity. The Responsible Entity's obligation is limited to the extent of its indemnity out of the assets of the Australian Fund.</p> <p>The right to require 'give-back' applies up to 45 days following the second anniversary of the Underlying Fund's final distribution to the Australian Fund, or later date in respect of a potential claim given to the Responsible Entity by the Underlying Fund prior to such date. The Responsible Entity is not entitled to demand a further contribution from Investors in order to meet a give back obligation of the Responsible Entity.</p>		VIII
Investment Period	Four years and three months from the Closing Date, with an additional 12 month period following the end of this investment period where the Underlying Fund may reinvest its investment proceeds.		V
Term	Eight years and three months from the Closing Date, but may be extended for two one-year periods or terminated sooner at the sole discretion of the Responsible Entity in order to align with the term of the Underlying Fund		V

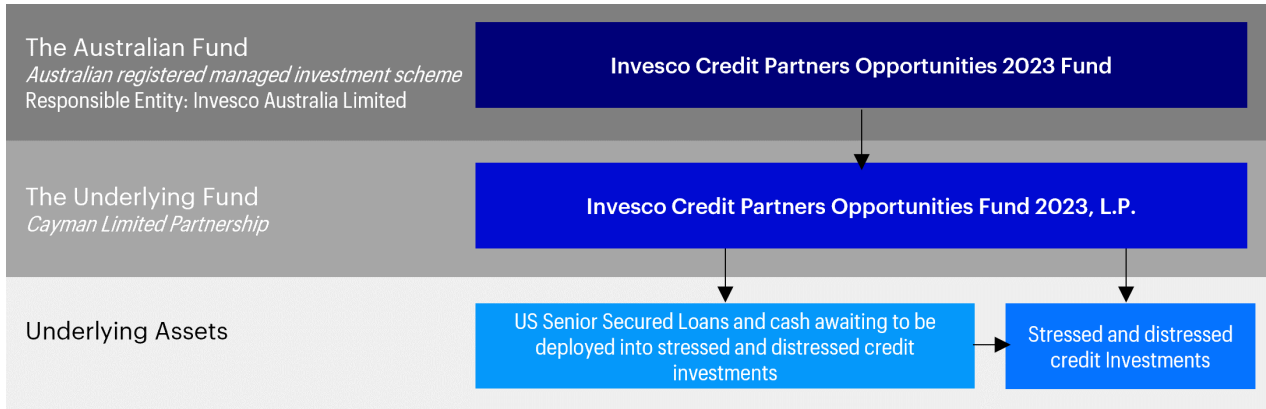
Term		Section of this IM	Section of Underlying Fund PPM
Base Currency and partial hedging	<p>The Australian Fund will be denominated in AUD.</p> <p>All capital required to be contributed to the Australian Fund by Investors will be in AUD, unless otherwise determined by the Responsible Entity, however investments into the Underlying Fund will be in USD (i.e. in its base currency). Accordingly, the Responsible Entity is likely to need to convert AUD into USD from time to time and shall do so at the conversion rate as is quoted to the Responsible Entity by any financial institution as it determines. The Responsible Entity will distribute amounts in AUD.</p> <p>The Underlying Fund intends to hedge the USD exposure of 50% of its investments to changes in AUD using forward foreign exchange contracts or other instruments to reduce exposure to currency fluctuations the ('Hedging Program'). There can be no guarantee that the Hedging Program will be successful. Furthermore, market movements could result in significant deviation from the target hedging level of 50%. The Underlying Fund may be subject to additional risk due to such Hedging Program as outlined in section VI of the Underlying Fund PPM.</p> <p>The Underlying Fund may invest in debt obligations denominated in currencies other than the USD and in partnerships or other pass-through entities whose functional currency is not USD, and the Underlying Fund intends to utilise currency hedging transactions to manage the risks associated with fluctuations in currency exchange rates. These investments and transactions may generate gains or losses attributable to changes in foreign currency exchange rates.</p>	5	VI and VIII
Leverage	<p>The Australian Fund does not intend to borrow.</p> <p>The Underlying Fund may borrow money or otherwise incur indebtedness to manage short term liquidity concerns. Borrowing may also be used for the purpose of making Investments, funding investment activities, bridging capital calls and optimising the Underlying Fund's cash flow, in an amount up to 25% of the aggregate amount of the limited partners' commitments (measured as of the date such indebtedness is incurred). The Underlying Fund may also guarantee obligations of issuers or portfolio companies and their respective subsidiaries, or of alternative investment vehicles and their respective subsidiaries, subject to the Underlying Fund's diversification limitations for investment in a single issuer or single industry.</p> <p>Please refer to Section VIII (Principal Terms of the Fund) of the Underlying Fund PPM to view a summary of borrowing and guarantees in relation to the Underlying Fund.</p> <p>The Constitution of the Australian Fund authorises Invesco (as responsible entity of the Australian Fund) to enter into these types of security and guarantee arrangements.</p>		VIII
Underlying Fund	<p>The Underlying Fund PPM provides a summary of various important features and terms of the Underlying Fund and should be read in conjunction with the terms described in this IM in relation to the Australian Fund.</p>		

3. Fund Governance

Fund Structure

The Australian Fund is an Australian managed investment scheme, registered and regulated under the Corporations Act. The Australian Fund is established for the purpose of investing in the Underlying Fund, a Cayman Islands exempted limited partnership. The Underlying Fund is managed by a related company, Invesco Senior Secured Management, Inc.

The following diagram summarises the Australian Fund structure at the date of this IM.



Compliance Committee

The Australian Fund has a Compliance Plan which sets out the procedures for the Responsible Entity to comply with the Corporations Act and the Australian Fund’s Constitution. This plan is overseen by a Compliance Committee and the Responsible Entity’s compliance with it is audited annually. The Responsible Entity’s Compliance Committee performs an oversight role of the Responsible Entity’s registered Managed Investment Schemes. The Committee monitors the operation of the registered schemes and the adequacy of the Compliance Plan. It is responsible for monitoring the extent to which the Responsible Entity complies with the Compliance Plan and reports its findings to the Responsible Entity’s Board of Directors. The Compliance Committee reports to the Board of Directors any breach of the Corporations Act involving a registered scheme or any breach of a scheme’s constitution. The Compliance Committee may report breaches to ASIC where necessary.

The Responsible Entity’s Compliance Committee consists of one internal member and two external members, both of whom have the requisite degree of separation from the management and interests of the Responsible Entity.

Underlying Fund Governance Arrangements

A summary of the governance and operational arrangements in relation to the Underlying Fund are set out in the Underlying Fund PPM, which includes a summary of key features of the Fund Documents related to the Underlying Fund. In particular:

- Key features of the Underlying Fund are summarised in Section VIII of the Underlying Fund PPM (Principal Terms of the Fund).
- A description of the governance and investment process arrangements is set out in section VI (Investment Process) of the Underlying Fund PPM.
- A summary of the potential conflicts of interest applicable to the Underlying Fund, and how they are managed, is set out in section IX (Certain Risk Factors and Potential Conflicts of Interest) of the Underlying Fund PPM.

4. Fees and Costs

Australian Fund Operating Expenses

The Responsible Entity is entitled under the Constitution of the Australian Fund to be reimbursed out of the assets of the Australian Fund for costs and disbursements incurred by it as Responsible Entity in the proper performance of its duties in relation to the Australian Fund. The Responsible Entity does not currently intend to seek reimbursement for most types of costs and disbursements that are incurred in the ordinary course of operating the Australian Fund.

The Responsible Entity expects to seek reimbursement for any abnormal, extraordinary or one-off charges incurred by it in the proper performance of its duties in relation to the Australian Fund, including costs of engaging external service providers and advisers and the cost of running Investor meetings. To the extent that the Responsible Entity incurs these costs directly, it is entitled to recover these costs from the assets of the Australian Fund on presentation of tax invoices and supporting documentation.

It is also expected that the Australian Fund will incur some transaction costs related to its investment in the Underlying Fund, including foreign exchange conversion transaction costs.

Underlying Fund Fees and Costs

The Responsible Entity will not charge a fee for acting as responsible entity of the Australian Fund.

Fees and costs will however be incurred at the Underlying Fund level as summarised in the Underlying Fund PPM. This will be reflected in a reduction in the value of the Australian Fund's interest as limited partner of the Underlying Fund. In particular, the Underlying Fund will charge a management fee of 0.85% per annum plus a carried interest distribution (similar to a performance based fee) of 17.5% of profits subject to 5% per annum preferred return with full catch up. Further details in relation to fees and carried interest (performance based fee) payable to the Investment Manager and General Partner of the Underlying Fund are set out in the Underlying Fund PPM. The Investment Manager and General Partner will also be entitled to recover certain operating expenses from the Underlying Fund, as well as retain a range of transaction fees, as set out in the Underlying Fund PPM.

5. Risks of Investing

Australian Fund & Investor Specific Risks

The value of your investment in the Australian Fund is not guaranteed. In line with its underlying investments, the value of your investment can go up and down. Further, the amount of any income distribution you receive from the Australian Fund could vary or be irregular.

When assessing an investment in the Australian Fund it is important to remember:

- the value of your investment will vary over time;
- investment returns will vary, and future returns may differ from past returns;
- returns are not guaranteed and you may lose money; and
- laws affecting your investment may change in the future.

The level of risk appropriate for you will depend on factors such as your investment time frame, your other investments and how comfortable you are with taking risk.

Significant risks for the Australian Fund include:

Hedging Risk

The Australian Fund will invest in the Underlying Fund where hedging will be deployed with the aim of reducing the impact of the fluctuations in the AUD USD exchange rate. The risk that hedging instruments do not accurately match the targeted level of exposures of the assets to be hedged. Investors should be aware that hedging portfolios involves costs and implementation risks due to the volatility of currency markets. Hedging may also result in side effects for distributions from a fund where hedge gains (or losses) can increase (or decrease) the level of income distribution for a fund.

Liquidity Risk

The Underlying Fund, and consequently the Australian Fund, should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realised. Losses on unsuccessful investments may be realised before gains on successful investments are realised. There are substantial restrictions on transferring units in the Australian Fund. In general, withdrawals of units in the Australian Fund are not permitted.

Underlying Fund's Risk

As the Australian Fund will invest in the Underlying Fund, the success of the Australian Fund shall depend upon the ability of the Underlying Fund to develop and implement investment strategies that achieve the Underlying Fund's, and consequently the Australian Fund's investment objective. Subjective decisions made by the Underlying Fund may cause the Australian Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalised.

Legal Risk

The Underlying Fund or the Australian Fund may be affected by the actions of governments and regulatory bodies. Legislation (including legislation relating to tax) or regulation may be introduced which may have an impact on the Australian Fund, the Underlying Fund or on its investments.

Fund Risk

The risk that the Australian Fund or Underlying Fund could terminate, that the fees and expenses increase, or that the investment manager changes. There is also a risk that investing in the Australian Fund may give different results than investing directly in the Underlying Fund because of income or capital gains accrued in the Australian Fund.

Distribution risk

There is a risk that during a financial year, the Australian Fund makes income distributions in excess of total taxable income earned by the Australian Fund for that particular financial year. The excess distribution may be treated as a return of capital rather than income and could result in tax implications. There is also a risk that the Australian Fund earns assessable income which it cannot distribute and therefore an investor's taxable income attributed by the Australian Fund can be greater than the sum of the distributions received.

Taxation Risk

There will be tax implications for Investors in the Australian Fund. A general description of the Australian taxation consequences for Investors has been set out in Section 6. Changes in tax law (including goods and services taxes and stamp duties), or changes in the way taxation laws are interpreted may impact the tax liabilities of the Australian Fund and its Investors.

Market Risk

The risk that relates to investment markets, e.g. international markets, credit markets in which the Underlying Fund may invest. Markets can be affected by many factors including economic conditions, the political and sovereign environment, outlook for companies, interest rates, inflation and general investor sentiment. These factors will impact the investment market and ultimately the value of the Underlying Fund and the Australian Fund.

Operational Risk

The risk of technology and processes, and other operational aspects of the Underlying Fund or the Australian Fund failing, resulting in delays, errors or financial losses.

FATCA Risk

The Australian Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of any FATCA withholding tax, however no assurance can be given that the Australian Fund will be able to satisfy the relevant FATCA obligations. If the Australian Fund becomes subject to a FATCA withholding tax as a result of the FATCA regime, the value of the units held by unitholders in the Australian Fund may suffer material losses.

Risks of the Underlying Fund

In considering participation in the Australian Fund, Investors should consider the risks associated with the Underlying Fund, as set out in Section VII (Risk Factors) of the Underlying Fund PPM.

6. How Managed Investment Schemes are Taxed

Investing in a registered managed investment scheme is likely to have tax consequences. We strongly recommend that you seek professional tax advice before investing in the Australian Fund.

The following summary generally applies to Australian resident investors for income tax purposes who hold their investment for the purpose of realising a long-term return (i.e. held on capital account). It is based on our understanding of the current law as at the date of this document and does not constitute tax advice.

Taxation of the Australian Fund

The Australian Fund is an Australian resident unit trust for income tax purposes. The Australian Fund should not be treated as a public trading trust for a financial year.

The Australian Fund should not be liable to pay Australian income tax on its income and gains on the basis that investors are either presently entitled to all of the Australian Fund's net income (i.e. taxable income) for a financial year or alternatively where the Attribution Managed Investment Trust ('AMIT') provisions apply.

The AMIT provisions are an elective income tax regime for qualifying Managed Investment Trusts ('MIT') and provide flow-through taxation to unitholders whereby the Australian Fund's income components retain their tax character in the hands of the unitholder. Additional key features of the AMIT regime is the ability of the Australian Fund to carry forward understatements and overstatements of taxable income instead of re-issuing statements to investors and the availability of increases to the cost base of investors' units in the Australian Fund to alleviate potential circumstances of double taxation.

The Responsible Entity has made an election for the Australian Fund to operate as an AMIT. Accordingly, the Australian Fund will be an AMIT where it continues to satisfy the conditions to be a MIT.

Under the AMIT regime, the Responsible Entity will attribute the taxable income of the Australian Fund to unitholders on a fair and reasonable basis consistent with their respective interest in the Australian Fund. Accordingly, unitholders will be assessed on their share of the Australian Fund's taxable income (including any capital gains), exempt income, non-assessable non-exempt income and tax offsets of the Australian Fund as allocated to them by the Responsible Entity (refer to "Taxation of Australian resident investors" below).

Taxation of Australian resident investors

Investors will be assessed for tax based on the attributed share of the Australian Fund's taxable income, including any capital gains generated by the Australian Fund. The taxable sum of these components may differ to the amount of cash distribution an investor receives.

Distributions from the Australian Fund may entitle unitholders to franking credits and/or foreign tax credits. Distributions may also include tax deferred amounts or return of capital amounts which may reduce the cost base of your investment for capital gains tax ('CGT') purposes.

The Australian Fund will provide an annual statement to investors detailing the amount of taxable income attributed to them including information regarding the amount that investors should include in their assessable income, the components of the distribution and amounts which may impact the investor's cost base in the Australian Fund.

Income earned by the Australian Fund from investments outside Australia may be subject to taxation in the country where the income is sourced. If you are an Australian resident for tax purposes, you may be entitled to a foreign income tax offset ('FITO') for your share of foreign tax paid on the Australian Fund's foreign income. If entitled, you may be able to claim a FITO against your Australian income tax liability. Your ability to utilise these FITOs will depend on your individual income tax circumstances and we recommend you seek professional tax advice.

For a five years and three months period after the closing date of the Underlying Fund, capital may be recycled within the Underlying Fund. As a consequence, capital returned to the Underlying Fund from dispositions of underlying assets can be reinvested by the Underlying Fund into new distressed loan opportunities. As a consequence, it is possible that an investor is assessed in any such year on its share of the net income of the Underlying Fund attributed to the investor (via the Australian Fund), but not have received a cash distribution referable to that net income.

Disposal of units by Australian resident investors

When you fully withdraw units from the Australian Fund, this is treated as a disposal of your investment and you may be subject to capital gains tax. You may also be attributed your share of income derived by the Australian Fund for the period leading up to your redemption and also attributed any gains that the Australian Fund makes to fund your redemption request.

Where a unitholder holds their units in the Australian Fund on capital account and a disposal gives rise to a capital gain, investors that are individuals, trusts and complying superannuation funds may be eligible for the discount capital gain concession if the investment in the Australian Fund has been held for a period of 12 months or greater and the investor satisfies certain other requirements. The amount of the capital gain discount is 50% for an individual or trust, and 33¹/₃% for a complying superannuation fund. Any capital losses arising from the disposal of the investment may be used to offset other capital gains derived by the investor.

Providing a Tax File Number ('TFN') and Australian Business Number ('ABN')

It is not compulsory for a unitholder to quote their TFN or ABN. If you do not quote your TFN or ABN (and do not have a relevant exemption from quoting your TFN or ABN), the Responsible Entity will withhold the applicable amount of tax from distributions paid to you from the Australian Fund at the prescribed withholding tax rates (including Medicare levy if applicable). Investors may be able to claim a credit in the investors' tax return for TFN or ABN tax withheld.

Taxation of non-resident investors

If you are a non-resident for income tax purposes, the Responsible Entity will withhold the applicable tax from distributions paid to you from the Australian Fund. The amount of income tax withheld may depend on several factors including the character of the income distributed to you and your country of residence. We recommend non-resident investors seek professional tax advice in relation to your specific circumstances.

Goods and Services Tax (GST)

The Australian Fund is registered for GST. GST is charged at a rate of 10% on taxable supplies. The Australian Fund may incur GST in respect of various expenses and may not be entitled to full input tax credits in respect of all the GST it incurs.

7. How to invest

Application Form

An application to invest in the Australian Fund can only be made via an Application Form obtained from the Responsible Entity. The Responsible Entity will generally not accept an Application Form from you unless you provide the following documents, which will be provided to you as part of the Application Form:

- Customer Identification Form;
- Investor Eligibility Declaration; and
- If necessary, Accountant's Certificate.

All completed Application Forms should be posted and emailed by the Closing Date to the addresses below:

- Postal: C/- Link Market Services, Locked Bag 5038, Parramatta NSW 2124
- Email: clientservices.au@invesco.com

Customer Identification Form

A duly completed Customer Identification Form (and relevant accompanying documents) is required in order for the Responsible Entity to satisfy its obligations under the AML/CTF Law. The required information is included in the Application Form and differs depending upon if you are investing as an individual, a corporate, or a trust or superannuation fund.

Investor Eligibility Declaration

This Offer is open to Wholesale Clients and Sophisticated Investors within Australia.

All Investors must complete the relevant Investor Eligibility Declaration which is included in the Application Form, advising of how they believe they meet the requirements of an Investor being able to subscribe under this offer.

Wholesale Client

A Wholesale Client is defined as an investor that meets one of several alternative categories of eligibility, including as:

1. a person that can demonstrate, by way of an accountant's certificate, that they have net assets of at least \$2.5 million or a gross income for each of the last 2 financial years of at least \$250,000; or
2. a professional investor that has already satisfied certain licensing, registration or listing requirements and, or, has control of a substantial sum of money. Typical qualifications include: Australian Financial Services Licensees; bodies regulated by APRA, bodies registered by the Financial Corporations Act 1974, trustees of superannuation funds or trusts; persons controlling at least \$10 million; listed entities and body corporates that carry on certain investment businesses.

Sophisticated Investor

A Sophisticated Investor is one that the Responsible Entity is satisfied on reasonable grounds has previous experience in using financial services and investing in financial products that allows the investors to assess:

1. the merits of the product or service;
2. the value of the product or service;
3. the risks associated with holding the product;
4. the client's own information needs;
5. the adequacy of the information given by the licensee and the product issuer; and
6. the Responsible Entity certifies in writing the reasons it is satisfied regarding the investors experience.

By applying, you are also taken to represent to the Responsible Entity that you are not a 'foreign person' (within the meaning of the Foreign Acquisitions and Takeovers Act 1975) or a U.S. Person (as defined in Regulation S under the US Securities ACT 1933).

Anti-money laundering and counter-terrorism financing, FATCA and CRS

In accordance with the Anti-Money Laundering and Counter- Terrorism Financing Act 2006 (the 'AML/CTF Act'), the Responsible Entity (including through its administrator) is required to collect additional information about you. The Responsible Entity may also ask you to provide certified copies of certain identification documents along with the Application Form.

Australia has enacted laws and entered into international agreements that require the automatic exchange of information with:

- the United States (US) under a system known as the Foreign Account Tax Compliance Act 'FATCA'. This is for US citizens and tax residents.
- other countries under the Common Reporting Standard 'CRS'. The CRS applies to all foreign tax residents.

The Australian Fund is required to collect certain information about Investors (including tax residency and taxpayer identification number) in order to provide it to the ATO. Where the Australian Fund's Investors do not provide appropriate information to the Australian Fund, the Australian Fund may also be required to report those accounts to the ATO. The ATO may pass this information on to tax authorities in other jurisdictions who are subject to the above laws.

Under the AML/CTF Act, FATCA and CRS laws, the Responsible Entity may be prohibited from processing your application until all of the information and supporting documentation requested in this form has been received. In most cases, the information that you provide in this form will satisfy these regulations. However, in some instances the Responsible Entity may contact you to request further information. It may also be necessary for the Responsible Entity to collect information (including sensitive information) about you from third parties in order to meet its obligations under these regulations.

8. Additional Information

Unit Registry

Questions relating to changes of address, bank accounts, reports or any other registration matter should be addressed to the registry of the Australian Fund as follows:

Phone: 1800 813 500 (Monday to Friday)
Fax: 02 9287 0323
Email: clientservices.au@invesco.com
Postal: C/- Link Market Services, Locked Bag 5038
Parramatta NSW 2124
Website: www.invesco.com/au

Reporting to Australian Investors

In addition to any obligations at law, the Responsible Entity will provide to Investors the following reports to Investors in the Australian Fund:

Report	How to be given
Transaction statement	To each Investor within 15 business days following your investment in the Australian Fund
Quarterly reports on the progress of the Australian Fund's investments and significant information regarding the Units (including valuation information)	Approximately within three to four calendar months following a quarter end, except for the quarter ended 31 December in which case reporting will be provided approximately within four to five calendar months after quarter end
Annual taxation statement	To each Investor approximately three calendar months after the end of the financial year
Distribution statements detailing the amount of the distribution	To each Investor within ten business days after the distribution payment date

Reporting Unit Price

In addition to the quarterly valuation declared by the Australian Fund, the Australian Fund will also declare a reporting unit price on a monthly basis, available on request. The reporting price will reflect the last available published net asset value of the Australian Fund. The reporting price is not used for any transactions, and cannot be relied upon as representing a true and fair value as at the date it is effective.

Indemnities

In accordance with the Constitution, each of the Responsible Entity, its officers and employees are indemnified in full from the Australian Fund's assets for any and all costs, expenses, liabilities and losses incurred in relation to the Australian Fund in fulfilment of their role in respect of the Australian Fund in the proper performance of their respective duties. To the maximum extent permitted at law and subject to the Constitution, the Responsible Entity's liability is limited to the right to be indemnified out of the assets of the Australian Fund.

A Defaulting Member also indemnifies the Australian Fund, the Responsible Entity and the other investors against costs arising as a result of a Default Notice. A member may be given a Default Notice (and is considered a Defaulting Member) if: (a) the member fails to comply with any provision of the Constitution, including any direction to readvance the amount of any distribution previously distributed if there is a corresponding give back requirement imposed by the Underlying Fund; (b) by virtue of that Member's holding of Units, the Australian Fund or the Responsible Entity is or would be subjected to material legal, tax or other regulatory requirements that the Australian Fund might not otherwise have incurred or suffered or which cannot be avoided with minimal disruption or cost to the Australian Fund; or (c) if any information in the subscription documents delivered by a Member in connection with its subscription for Units is no longer correct in a material respect.

The Responsible Entity may also exercise other remedies against a Defaulting Member, including compulsorily redeeming Units, the right to deal with the Defaulting Member's units as authorised attorney, suspending rights to distributions or exercising forfeiture and sale rights, each as more fully described in the Constitution.

Constitution

The Australian Fund's Constitution sets out the terms and conditions under which it operates, as well as many of the rights, liabilities, duties and obligations of Investors and the Responsible Entity. It also sets out the manner in which Investor meetings are convened and conducted.

We may vary or amend the Constitution without the approval of Investors where we reasonably consider the change will not adversely affect Investors' rights. Amendments to the Corporations Act governing managed investments and relevant ASIC relief can also affect the provisions of the Constitution.

Your liability is limited by the Constitution to your investment in the Australian Fund. However, because the courts have not finally determined this matter, we cannot give absolute assurance in this regard. You are also liable to indemnify the Responsible Entity for any duties, taxes and charges referable to you.

Conflicted Matters

The Responsible Entity will seek a direction from Investors by way of a special resolution vote in respect of the following conflicted matters:

- voting on a resolution at the Underlying Fund level to remove the general partner of the Underlying Fund for a defined breach or other 'cause' event;
- while Invesco Senior Secured Management, Inc, is investment manager of the Underlying Fund, any resolution to approve any change to the terms of appointment of the investment manager of the Underlying Fund where the change is materially favourable to the investment manager.

Privacy Policy

Information that the Responsible Entity holds about you will be handled in accordance with the Responsible Entity's Privacy Policy which is available at www.invesco.com/au, by calling us on freecall 1800 813 500 or by emailing us at clientservices.au@invesco.com.

Additional Declaration Details

By investing in the Australian Fund, you agree to make the following declarations in relation to your investment. If you do not agree with these declarations, you should not make an investment in the Australian Fund.

General

- I/We acknowledge that if Invesco, its representatives or agents reasonably believes a signature on a document (e.g. a withdrawal request) to be genuine, Invesco or its representatives and agents is entitled to rely on that signature and will not be liable for any loss I/we may suffer if it is later found that the signature was fraudulent.
- I/We agree that if Invesco makes an incorrect payment to me/us that I/we will promptly repay any payment notified by Invesco to me/us as being made in error, and that Invesco will be entitled to either reverse any crediting of my financial institution account or deduct the amount incorrectly paid from any of my investment(s) in any of the Invesco Funds.
- I/We authorise Invesco to lodge a withdrawal request as attorney for me/us if any relevant minimum investment balance requirements are not attained or maintained.
- I/We consent to telephone conversations being recorded and listened to for training purposes or to provide security for transactions.
- I/We acknowledge that neither the repayment of capital, nor the payment of income nor the performance of the Australian Fund or the Underlying Fund is guaranteed by Invesco Australia Ltd, or any other company in the Invesco Ltd group of companies.

FATCA/CRS Foreign Trust Distributions

- As a condition of holding the account, Trusts that are Passive NFEs where beneficiaries are defined by class, must inform Invesco, on a timely basis, that the trust has made or will make a distribution to a foreign resident beneficiary. This must include all FATCA/CRS information required for individuals in this application form.

US Persons

- I /We are not in the United States or a 'US Person' (as defined in Regulation S under the US Securities Act 1933, as amended) ('US Person'), nor am I/are we acting for the account or benefit of a US Person, and I/We agree to notify Invesco immediately if I/we become a US Person.
- I/We will not make a copy of this document available to, or distribute a copy of such documents to, or for the account or benefit of, any US Person or any person in the United States or in any other place in which, or to any other person to whom, it would be unlawful to do so.
- I/We will not, subject to Invesco's discretion, at any time cause my/our units to be sold or transferred, directly or indirectly, to or for the benefit of a US Person.

Anti Money-Laundering (AML) and Counter Terrorism-Financing (CTF) Laws

- I/We acknowledge that in certain circumstances Invesco may be obliged to freeze or block an account where it is used in connection with Illegal Activities or suspected Illegal Activities. Freezing or blocking can arise as a result of the account monitoring that is required by AML/CTF Laws. If this occurs, Invesco is not liable to me/us for any consequences or losses whatsoever and I/we agree to indemnify Invesco if Invesco is found liable to a third party in connection with the freezing or blocking of my/our account.

Privacy

- Your information may be disclosed to your financial adviser and to our agents and service providers on the basis that they deal with such information in accordance with the relevant entity's privacy policy. Information may also be disclosed to third parties if that disclosure is required or authorised by law.
- Your information may be stored using third party "Cloud" storage service providers with servers located in the United States. By signing this application, you provide consent to have your data stored overseas through "Cloud" services. All data stored in offshore locations is held in accordance with the standards of the Privacy Act.
- If you become an investor in a fund, your information may also be used or disclosed from time to time to inform you about our products, services or offers that we think may be of interest to you.
- Your information may be stored using third party "Cloud" storage service providers with servers located in the United States. By signing this application, you provide consent to have your data stored overseas through "Cloud" services. All data stored in offshore locations is held in accordance with the standards of the Privacy Act.

Other

- i. Corrs Chambers Westgarth's (the 'Law Firm') representation of the Responsible Entity is limited to the specific matters with respect to which it has been retained and consulted by the Responsible Entity,
- ii. there may exist other matters that could have a bearing on the Australian Fund and its investments, as to which the Law Firm has been neither retained nor consulted,
- iii. the Law Firm does not undertake to monitor the compliance of the Responsible Entity and its affiliates with the investment program and other investment guidelines and procedures set forth in this IM, the Constitution and any other presentation or materials presented or provided to the applicant or other compliance matters, nor does the Law Firm monitor compliance by the Responsible Entity and/or their affiliates with applicable laws, unless in each case the Law Firm has been specifically retained to do so,
- iv. the Law Firm does not investigate or verify the accuracy and completeness of information set forth in the IM concerning the Australian Fund, the Underlying Fund or any of their respective affiliates and personnel or investments or portfolio companies and
- v. except for any opinions specifically set forth in a signed opinion letter issued by the Law Firm to the Responsible Entity as its sole client, it is not providing any advice, opinion, representation, warranty or other assurance of any kind as to any matter to any person.

9. Glossary

In this IM, unless otherwise defined in this IM, capitalised terms have the meaning given to them by the relevant Fund Documents:

Term	Definition
ABN	Australian Business Number
AFSL	Australian Financial Services Licence
AML/CTF Laws	Anti-Money Laundering and Counter-Terrorism Financing Act 2007 (Cth) and the Anti-Money Laundering and Counter-Terrorism Financing Rules
Application Form	the application form deed used by an Investor to subscribe for Units in the Australian Fund
ASIC	Australian Securities and Investment Commission
AUD	Australian dollars
Australian Fund	Invesco Credit Partners Opportunities 2023 Fund ARSN 667 020 304
Application Period	commences on 3 July 2023 and concludes on the Australian Fund Closing Date.
Closing Date	29 September 2023 or such other date as determined by the Responsible Entity
Constitution	the Constitution governing the Australian Fund
Corporations Act	the Corporations Act 2001 (Cth) including any Regulations made thereunder
Fund Documents	each of: <ul style="list-style-type: none">• the Underlying Fund PPM;• the limited partnership agreement of the Underlying Fund; and• the constitution of the Australian Fund.
GST	Goods and Services Tax
IM	the Information Memorandum relating to an offer to subscribe for Units in the Australian Fund
Investor	a prospective or current holder of Units
Offer	the offer to subscribe for Units in the Australian Fund
Responsible Entity	Invesco Australia Limited ABN 48 001 693 232 in its capacity as responsible entity and trustee of the Australian Fund
Sophisticated Investor	has the meaning set out in section 761GA of the Corporations Act
Underlying Fund	Invesco Credit Partners Opportunities Fund 2023, L.P., a Cayman Islands exempted limited partnership
Underlying Fund PPM	the Confidential Private Placement Memorandum of the Underlying Fund, a copy of which is included in or accompanies this IM
Unit	a unit in the Australian Fund
USD	United States dollars
Wholesale Client	has the meaning given to this term in sections 761G or 761GA of the Corporations Act

10. Copy of Underlying Fund PPM



INVESCO CREDIT PARTNERS OPPORTUNITIES

FUND 2023, L.P.

CONFIDENTIAL

PRIVATE PLACEMENT MEMORANDUM

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**INVESCO CREDIT PARTNERS OPPORTUNITIES FUND 2023, L.P.**

Exempted Limited Partnership Interests

June 2023

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THIS "MEMORANDUM") IS BEING FURNISHED TO A LIMITED NUMBER OF SOPHISTICATED INVESTORS ON A CONFIDENTIAL BASIS FOR THE SOLE PURPOSE OF EVALUATING AN INVESTMENT IN EXEMPTED LIMITED PARTNERSHIP INTERESTS (THE "INTERESTS") IN INVESCO CREDIT PARTNERS OPPORTUNITIES FUND 2023, L.P. (THE "FUND") AND MAY NOT BE USED FOR ANY OTHER PURPOSE. THIS MEMORANDUM MAY NOT BE REPRODUCED OR PROVIDED TO OTHERS WITHOUT THE PRIOR WRITTEN CONSENT OF INVESCO SENIOR SECURED MANAGEMENT, INC. (THE "MANAGER"). UPON REQUEST, THIS MEMORANDUM MUST BE RETURNED TO THE MANAGER. BY ACCEPTING DELIVERY OF THIS MEMORANDUM, EACH PROSPECTIVE INVESTOR AGREES TO THE FOREGOING. THEREFORE, THE RECIPIENT OF THIS MEMORANDUM SHALL PROMPTLY RETURN THIS MEMORANDUM TO THE MANAGER IF ANY OF SUCH TERMS AND CONDITIONS ARE NOT ACCEPTABLE, AND THE RECIPIENT'S ACCEPTANCE OF THIS MEMORANDUM SHALL CONSTITUTE AN AGREEMENT TO BE BOUND BY SUCH TERMS AND CONDITIONS. NOTWITHSTANDING THE FOREGOING OR ANYTHING ELSE IN THIS MEMORANDUM, EACH PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF SUCH INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF, AND TAX STRATEGIES RELATING TO, THIS OFFERING OF INTERESTS AND ANY POTENTIAL TRANSACTION DESCRIBED HEREIN AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO SUCH INVESTOR RELATING TO SUCH TAX TREATMENT, TAX STRUCTURE OR TAX STRATEGIES.

THE INTERESTS HAVE NOT BEEN REGISTERED WITH OR RECOMMENDED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER GOVERNMENTAL OR SELF-REGULATORY AGENCY OF THE UNITED STATES, OF ANY STATE OR OF ANY OTHER UNITED STATES OR NON-UNITED STATES JURISDICTION, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO "U.S. PERSONS" (AS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")) UNLESS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. NO GOVERNMENTAL OR OTHER AGENCY HAS PASSED ON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE INTERESTS ARE OFFERED FOR INVESTMENT ONLY TO INVESTORS WHO ARE NOT "U.S. PERSONS" (AS DEFINED IN REGULATIONS PROMULGATED UNDER THE SECURITIES ACT).

BECAUSE THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR RELEVANT SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, PURCHASERS OF THE INTERESTS MUST BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME UNLESS SUCH INTERESTS ARE SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OR OTHER RELEVANT SECURITIES LAWS OR AN EXEMPTION THEREFROM IS AVAILABLE, AND PURCHASERS WILL BE REQUIRED TO AGREE THAT THE INTERESTS WILL NOT BE TRANSFERRED WITHOUT SUCH REGISTRATION OR AN EXEMPTION THEREFROM. ANY INSTRUMENTS EVIDENCING THE INTERESTS WILL CONTAIN A LEGEND TO THE EFFECT THAT THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR SUCH STATE LAWS AND MAY NOT BE TRANSFERRED WITHOUT SUCH REGISTRATION OR AN EXEMPTION THEREFROM, AND A NOTATION TO THIS EFFECT WILL BE MADE IN THE APPROPRIATE RECORDS PERTAINING TO HOLDERS OF THE INTERESTS.

INVESTORS MAY ONLY TRANSFER THEIR INTERESTS WITH THE PRIOR WRITTEN CONSENT OF INVESCO CREDIT PARTNERS ASSOCIATES III, L.P. (THE "GENERAL PARTNER"), WHICH MAY BE GRANTED OR WITHHELD IN ITS SOLE DISCRETION.

INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX, INVESTMENT, OR ACCOUNTING ADVICE. PROSPECTIVE INVESTORS ARE URGED TO CONSULT WITH THEIR OWN ADVISORS WITH RESPECT TO LEGAL, TAX, REGULATORY, FINANCIAL, AND ACCOUNTING CONSEQUENCES OF THEIR INVESTMENT IN THE INTERESTS.

PROSPECTIVE INVESTORS SHOULD PAY PARTICULAR ATTENTION TO THE INFORMATION UNDER THE CAPTIONS "CERTAIN RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST" AND "CERTAIN LEGAL AND TAX CONSIDERATIONS" IN THIS MEMORANDUM. INVESTMENT IN THE INTERESTS IS SUITABLE ONLY FOR SOPHISTICATED INVESTORS AND REQUIRES THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE HIGH RISK AND LACK OF LIQUIDITY INHERENT IN AN INVESTMENT IN THE INTERESTS. NO ASSURANCE CAN BE GIVEN THAT THE FUND'S INVESTMENT OBJECTIVES WILL BE ULTIMATELY ACHIEVED.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION WHICH IS NOT INCLUDED OR IS CONTRARY TO INFORMATION CONTAINED IN THIS MEMORANDUM, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE INTERESTS IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. THE DELIVERY OF THIS MEMORANDUM DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AT ANY TIME SUBSEQUENT TO THE DATE OF THE INITIAL DISTRIBUTION OF THIS MEMORANDUM. UNLESS OTHERWISE NOTED, INFORMATION PROVIDED HEREIN IS CURRENT AS OF THE DATE ON THE COVER PAGE HEREOF.

INVESTMENT IN THE INTERESTS IS SUITABLE ONLY FOR SOPHISTICATED INVESTORS AND REQUIRES THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE HIGH RISK OF LOSS AND LACK OF LIQUIDITY INHERENT IN THE INTERESTS. NO ASSURANCE CAN BE GIVEN THAT THE FUND'S INVESTMENT OBJECTIVES WILL BE ACHIEVED.

CERTAIN INFORMATION CONTAINED IN THIS MEMORANDUM HAS BEEN OBTAINED FROM THIRD-PARTY SOURCES. WHILE SUCH INFORMATION IS BELIEVED TO BE RELIABLE FOR THE PURPOSES USED HEREIN, THE MANAGER HAS NOT INDEPENDENTLY VERIFIED SUCH INFORMATION AND THE MANAGER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN. CERTAIN ECONOMIC AND MARKET CONDITIONS CONTAINED HEREIN HAS BEEN OBTAINED FROM PUBLISHED SOURCES AND/OR PREPARED BY THIRD-PARTIES AND IN CERTAIN CASES HAS NOT BEEN UPDATED THROUGH THE DATE HEREOF. ALL INFORMATION CONTAINED HEREIN IS SUBJECT TO REVISION AND THE INFORMATION SET FORTH HEREIN DOES NOT PURPORT TO BE COMPLETE. IN ADDITION, CERTAIN STATEMENTS MADE HEREIN REFLECT THE SUBJECTIVE VIEWS AND OPINIONS OF THE MANAGER AND ITS AFFILIATES. SUCH STATEMENTS CANNOT BE INDEPENDENTLY VERIFIED AND ARE SUBJECT TO CHANGE.

CERTAIN INFORMATION CONTAINED HEREIN REPRESENTS OR IS BASED UPON "FORWARD LOOKING STATEMENTS" OR INFORMATION, WHICH CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "ANTICIPATE," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE" OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. THE FUND AND ITS AFFILIATES BELIEVE THAT SUCH STATEMENTS AND INFORMATION ARE BASED UPON REASONABLE ESTIMATES AND ASSUMPTIONS. HOWEVER, FORWARD LOOKING STATEMENTS AND INFORMATION ARE INHERENTLY UNCERTAIN, AND FACTORS SUCH AS THOSE DESCRIBED UNDER THE CAPTIONS "CERTAIN RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST" AND "CERTAIN LEGAL AND TAX CONSIDERATIONS" MAY CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER FROM THOSE PROJECTED. THEREFORE, UNDUE RELIANCE SHOULD NOT BE PLACED ON SUCH FORWARD LOOKING STATEMENTS AND INFORMATION. DUE TO VARIOUS RISKS AND UNCERTAINTIES, INCLUDING THOSE SET FORTH UNDER "CERTAIN RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST", ACTUAL EVENTS OR RESULTS OR THE ACTUAL PERFORMANCE OF THE FUND MAY DIFFER MATERIALLY FROM THOSE REFLECTED OR CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS.

THE RECIPIENT SHOULD BEAR IN MIND THAT TARGETED INVESTMENT CHARACTERISTICS MAY NOT BE INDICATIVE OF FUTURE INVESTMENT CHARACTERISTICS AND THERE CAN BE NO ASSURANCE THAT THE FUND WILL HAVE COMPARABLE INVESTMENT CHARACTERISTICS OR THAT TARGET INVESTMENT CHARACTERISTICS WILL BE ACHIEVED. THERE CAN BE NO ASSURANCE THAT THE FUND'S INVESTMENT OBJECTIVES WILL BE ACHIEVED AND INVESTMENT RESULTS MAY VARY SUBSTANTIALLY OVER TIME.

THE REGISTRATION OF A FUND BY THE CAYMAN ISLANDS MONETARY AUTHORITY ("THE AUTHORITY") DOES NOT CONSTITUTE ANY GUARANTEE OR ASSURANCE BY THE AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND.

FURTHERMORE, IN REGISTERING A FUND, THE AUTHORITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE FUND OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY MATERIAL USED TO SOLICIT THE PURCHASE OF INVESTMENT INTERESTS IN A FUND.

IN THE EVENT THAT THE DESCRIPTION OR TERMS IN THIS MEMORANDUM ARE INCONSISTENT WITH OR CONTRARY TO THE DESCRIPTION IN OR TERMS OF THE PARTNERSHIP AGREEMENT OF THE FUND, THE PARTNERSHIP AGREEMENT SHALL CONTROL.

PROSPECTIVE INVESTORS SHOULD REVIEW SECTION XI. “*SECURITIES LAW LEGENDS*” FOR CERTAIN INFORMATION RELATING TO OFFERING AND SALES OF THE INTERESTS TO INVESTORS IN CERTAIN JURISDICTIONS.

THE MANAGER IS EXEMPT FROM REGISTRATION WITH THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE “CFTC”) AS A COMMODITY POOL OPERATOR WITH RESPECT TO THE FUND UNDER CFTC RULE 4.13(A)(3) BECAUSE OF THE FUND’S LIMITED TRADING IN COMMODITY INTERESTS, SO THAT UNLIKE A REGISTERED COMMODITY POOL OPERATOR, WITH RESPECT TO THE FUND, THE MANAGER IS NOT REQUIRED TO DELIVER A DISCLOSURE DOCUMENT OR AN ANNUAL REPORT (AS THESE TERMS ARE USED IN THE CFTC’S RULES) TO LIMITED PARTNERS IN THE FUND.

FIDUCIARIES OF EMPLOYEE BENEFIT PLANS SUBJECT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”) OR SIMILAR STATE, LOCAL AND NON-U.S. LAWS, SHOULD CONSIDER WHETHER INVESTMENT IN THE FUND IS PRUDENT AND OTHERWISE IN COMPLIANCE WITH ERISA, THE CODE OR SUCH OTHER APPLICABLE LAW.

THE FUND IS A PRIVATE FUND FOR THE PURPOSES OF THE CAYMAN ISLANDS PRIVATE FUNDS LAW, 2020 (“PRIVATE FUNDS LAW”) AND THEREFORE IS REQUIRED TO REGISTER WITH THE CAYMAN ISLANDS MONETARY AUTHORITY (“CIMA”) PURSUANT TO SECTION 5(1) OF THAT LAW WITHIN TWENTY-ONE DAYS AFTER ACCEPTANCE OF COMMITMENTS.

AN UNPUBLISHED WORK.
ALL RIGHTS RESERVED

Any questions regarding this Memorandum should be directed to:

Jeffrey Reemer
Managing Director
E-mail: IVZcreditpartners@invesco.com

Benjamin Gruder
Managing Director
E-mail: IVZcreditpartners@invesco.com

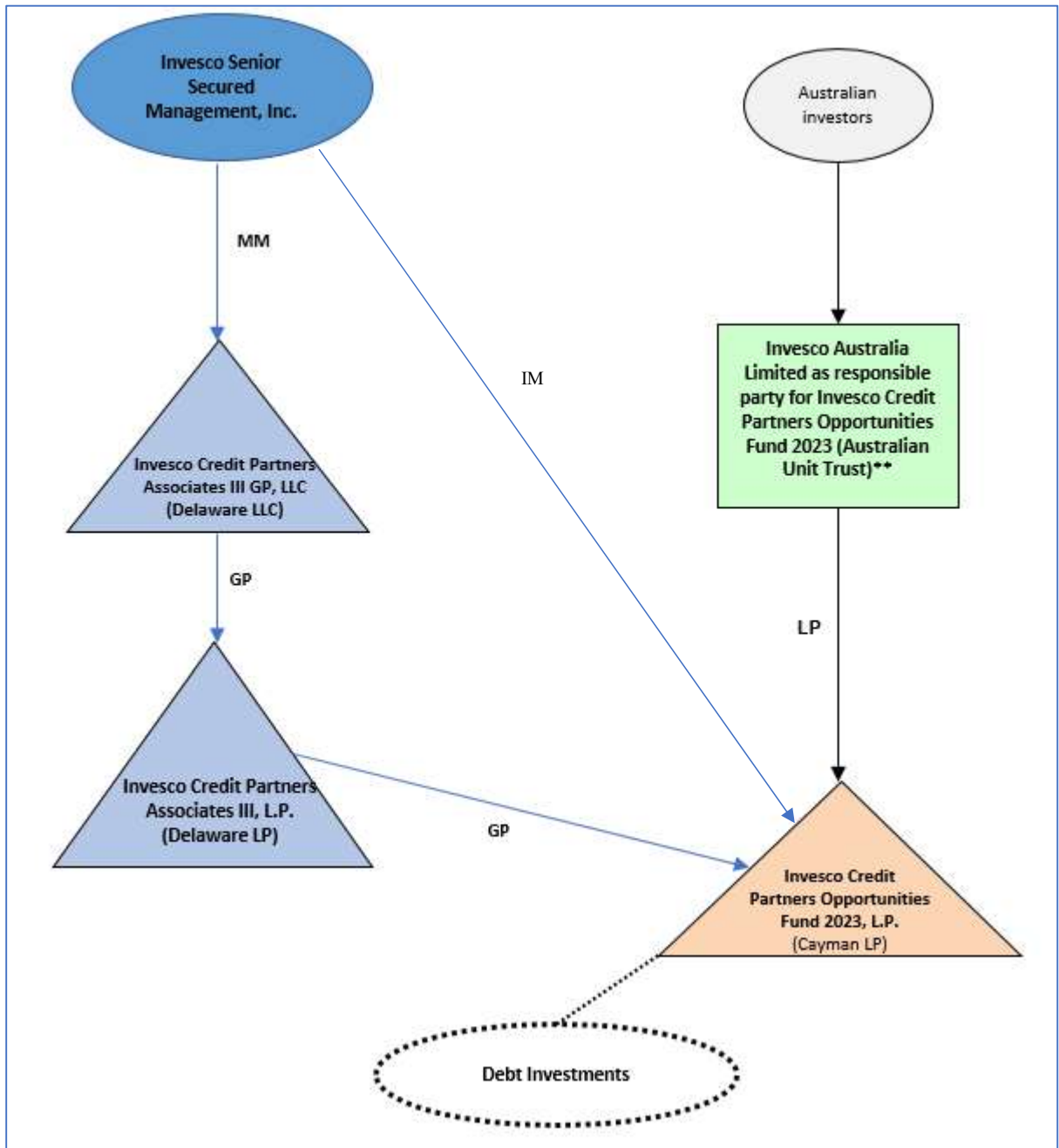
Invesco Credit Partners Opportunities Fund 2023, L.P.
225 Liberty Street
New York, NY 10281
Tel: 212-278-9000

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Fund Structure

Invesco Credit Opportunities Fund 2023, L.P.



I. Executive Summary

Invesco Credit Partners Opportunities 2023 Fund, L.P. (“ICP Opportunities” or the “Fund”) will initially invest in high-quality broadly syndicated loans with the aim to completely transition the Fund’s exposure to distressed assets alongside Invesco Credit Partners Master Fund III, L.P. (“ICP III”). Accordingly, after the transition, the Fund will invest primarily in distressed credit and special situations opportunities within the small capitalization corporate segment. The Fund targets a return of 13-15% IRR (net of fees) by predominantly investing in both senior secured credit entry points as well as purchasing assets at a significant discount to intrinsic value.¹ ICP Opportunities is managed by Invesco Senior Secured Management, Inc. (the “Manager”, “ISSM”, “us”, “we” or “our”) and is overseen by a dedicated team of investment professionals who have extensive experience in both the broadly syndicated loan and the reorganization and bankruptcy investing markets.

Our investment philosophy is grounded in three core beliefs – our global ISSM private credit platform (the “Credit Platform”) advantage, our small capitalization focus, and our proactive approach to value creation post-investment. We believe our Credit Platform provides a competitive edge in sourcing, diligence, and execution, and that inefficient markets can provide attractive risk-adjusted returns regardless of economic cycles. We express this philosophy through a differentiated strategy that focuses on leveraging our Credit Platform’s significant market presence and investment experience in broadly syndicated loans, its extensive credit library, and embedded sector expertise to invest primarily in stressed, distressed, and special situations. We believe this strategy allows us to proactively identify and diligence attractive investment opportunities that are otherwise overlooked by traditional distressed investors. Our target opportunity set for broadly syndicated loan investments will be in the high-quality loan space (BBs/B) which have historically provided relatively low volatility and consistent income. Our target distressed opportunity set generally resides in the small capitalization space where we believe idiosyncratic issuer challenges make this segment structurally inefficient and evergreen.

- 1) **Leveraging our Global Private Credit Platform:** We believe our Credit Platform provides a competitive edge in sourcing, diligence, and execution of investments in our target market. We believe we are one of the only fully integrated private credit platforms whose distressed credit and special situations funds focus primarily on the small capitalization corporate segment. The investment strategy deployed by the Fund focuses on leveraging our global platform’s significant market presence, private-side orientation, extensive credit library, and broad sector expertise, to proactively identify and diligence relevant investment opportunities.
- 2) **Small Capitalization Company Focus:** We believe our target market is highly inefficient and provides the opportunity to generate attractive asymmetric risk-adjusted returns. Our

¹ In considering the performance information contained herein, prospective investors should bear in mind that past or targeted performance is not necessarily indicative of future results, and there can be no assurance that the Manager will achieve comparable results. Investing in the Fund involves significant risks, including loss of the entire investment. Please see page 10 for important disclosures relating to the information presented herein.

opportunity set is persistent across market cycles as smaller companies tend to more frequently and routinely experience idiosyncratic challenges. Mostly private in nature, small capitalization distressed opportunities are often far more difficult to source and diligence, providing a natural barrier for competition. While many peers focus on large capitalization distressed opportunities, we believe we are one of the few large credit platforms focused within the less targeted and inefficient small capitalization market segment. As a result, we believe we are able to leverage our significant resources to create informational advantages as they relate to sourcing, diligence and execution. While our market is not dependent on macroeconomic cycles to create investment opportunities, the current economic landscape has significantly increased the size of our addressable market.

- 3) **Proactive Value Creation:** We believe in a proactive approach to value creation post-investment through financial, strategic, and operational restructurings. A hallmark of our approach is private equity-style diligence which allows us to enter complex distressed and special situations investments with a deep understanding of the business, its industry, and the path forward to stabilization and ultimately monetization. We take a proactive approach to financially and operationally intensive restructurings, a key differentiator that defines our value-added investment style. Consistent with our strategy, we make investments in countries and regions where we have extensive experience with reorganization regimes that favor secured creditors – primarily in the United States, Canada, the United Kingdom, the European Union, and Australia. By adhering to this investment philosophy and strategy, we seek to create a portfolio of investment positions that have the potential to generate attractive equity-like returns while fundamentally, taking credit risk.

The Credit Platform’s offerings are fully integrated with targeted strategies focused on broadly syndicated bank loans, direct lending, stressed and distressed credit opportunities, and special situations. We believe this platform provides a differentiated approach through structural and economic alignment, collaboration, and embedded industry expertise which provides us with significant sourcing, diligence, and execution advantages. The ISSM bank loan group (the “Bank Loan Group”) is one of the largest global managers of senior loans with more than \$38 billion of assets under management. The group manages an active portfolio of over 800 names and maintains a credit library spanning more than 2,000 companies. The Bank Loan Group has been managing broadly syndicated senior loans since 1989, making it one of the original investors in the asset class. Given the Bank Loan Group’s lineage, size, and scale, in our experience, it is often a first stop for underwriters and financial sponsors which allows us to see much of the new issuance activity in the market. Additionally, the Bank Loan Group is a significant counterparty with many broker-dealers. We believe these relationships provide us a broad set of perspectives across the capital markets and enhance our ability to execute actionable investment opportunities well ahead of our competition. Similarly, the direct lending group (the “Direct Lending Group”) has over 20 years of experience partnering with financial sponsors and other direct lenders specifically in the small capitalization space. Historically, secondary opportunities in direct lending have been difficult to access, making it

challenging for distressed investors to source investments in this space. However, in our experience, our ability to access the Direct Lending Group's established relationship network creates a differentiated sourcing avenue for our Fund. Through our integrated platform, we believe we are able to identify unique, overlooked companies well ahead of our competition and effectively leverage the platform's credit library and industry expertise to conduct detailed, private-equity style due diligence. We maintain a private-side orientation across the platform which we believe provides us a structural advantage with respect to information access. This private-side orientation contrasts with many of our competitors who employ a public-private approach which can restrict information sharing and diligence. We believe that access to our Credit Platform provides us with a significant competitive advantage with respect to sourcing, diligence, and execution.

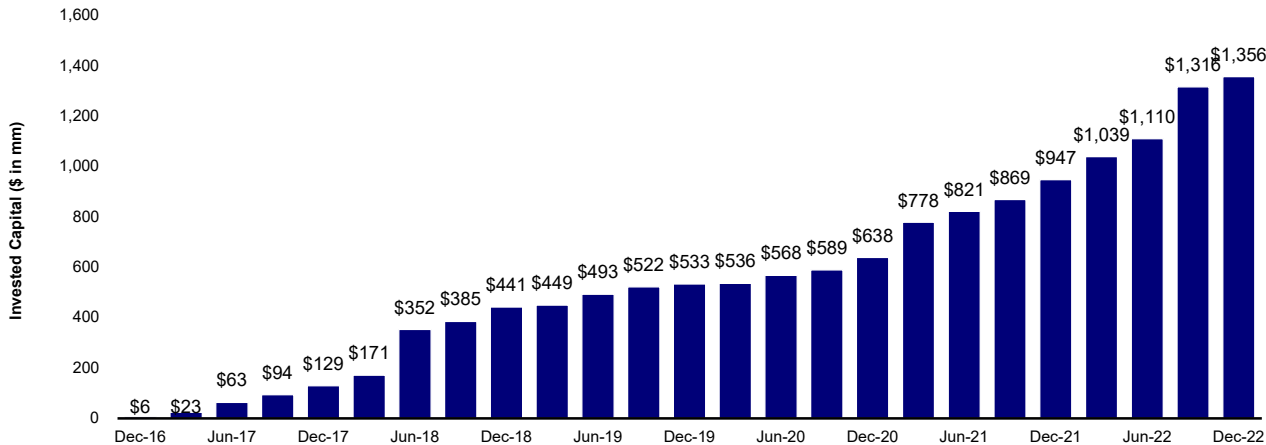
The Fund concentrates its broadly syndicated loan opportunities in historically, high quality loans (BBs/Bs) which have provided relatively low volatility and consistent income. These positions tend to be larger capitalized companies with well-supported trading activity. In our experience, loans in this segment have, on a cumulative basis, outperformed high yield and investment grade bonds.

The Fund concentrates its distressed credit opportunities in the small capitalization space which we believe is significantly underpenetrated by our competitors. We typically define companies in this space based on EBITDA (e.g., generally less than \$100 million), market value of debt outstanding (e.g., typically less than \$500 million), or size of the lender group (e.g., closely held by a limited number of lenders, not a large syndicate). As a result, we may invest in larger companies when we view certain inefficiencies that typically characterize the small capitalization space are present. In our experience, this target opportunity set is actionable in today's market, offers better risk-adjusted returns relative to the large capitalization universe, and is sizable – encompassing \$1.5 trillion or 53% of the \$2.8 trillion global leveraged loan and high yield bond markets². Importantly, companies in this segment tend to exhibit distress more frequently as a result of idiosyncratic, company specific events rather than economic cycles.

² Source: Credit Suisse, as of December 31, 2022.

As of December 31, 2022, the distressed credit team has deployed over \$1.3 billion within the small capitalization space across our previous vintages – ICP I, Invesco Credit Partners Opportunities Fund 2020, L.P. and ICP II as well as related separate accounts (see Exhibit 1 below). We have invested across 17 distinct industries representing 54 different companies during what can be deemed a historically low default rate environment.

Exhibit 1: Historical ICP Deployment



Source: Invesco Credit Partners invested capital (including SMAs) as of December 31, 2022.

Both the Bank Loan Group and Direct Lending Group maintain credit files on or have evaluated over 90% of the investments made in our distressed credit and special situations funds. We believe access to this repository of information, specifically focused on our target market, allows us to proactively source and execute investment opportunities in the current environment. Furthermore, sourcing investments and transacting in this segment requires a specialized skillset and relationship network. Almost all of our target companies are private, do not provide public financials, and their debt is not actively quoted or traded. We believe these factors are substantial barriers to entry and therefore create more inefficient and attractive markets in which to generate return potential for our limited partners.

Our distressed credit team generally invests in companies that have been impacted by operational or financial challenges. Typical causes of distress include operational issues, integration delays and/or cost-overruns, end-market softness, funding or liquidity challenges, capital market-related dislocations, or an inability to address an upcoming debt maturity. We classify these opportunities as either stressed, distressed, or special situations investments. Stressed investments include idiosyncratic challenges where there are discrete and discernable financial issues we can diligence and quantify; and where we do not believe a restructuring is necessary. Stressed investments also consist of situations where highly leveraged companies are unable to grow at a rate sufficient to support their liabilities. In these instances, companies typically seek modifications to their credit agreements to reset covenant levels and/or additional liquidity. In contrast, distressed investments represent complex situations in which companies typically require a comprehensive rightsizing of their balance sheet and therefore a material reduction in the quantum of debt outstanding. Solutions

may include new money investment, conversion of debt into equity, debt-for-debt exchanges, out-of-court restructurings, or a more formal in-court bankruptcy process. We generally enter distressed investments with a control focus and historically have been successful reorganizing businesses in a consensual manner resulting in our funds as the controlling shareholders and/or holding seats representing the majority of the board of directors.

Finally, special situations investments represent opportunities where typically sponsor-owned businesses work with us to resolve liquidity needs and/or near-term maturities. These businesses are generally open to holistic capital structure solutions we can provide through senior secured loans, rescue financings, or other structured solutions – all generally with significant equity upside attached. Like distressed transactions, here we are also focused on control mechanisms either through our debt investment or board representation accompanying the attached equity. In all cases, we seek to enter these investments at meaningful discounts to intrinsic value which allows us the potential to generate equity-like returns with credit downside protection. We are catalyst-focused investors – investing only when we can reasonably identify an event that enhances value and allows for an exit within our defined holding period. By targeting these types of investments, we believe we can successfully deploy capital and generate attractive risk-adjusted returns through any stage of the credit cycle.

Further, we believe we can create value by taking a proactive approach to financially and operationally intensive restructurings. Our team has significant experience and familiarity navigating both informal out-of-court restructurings as well as formal in-court bankruptcy processes. Both processes are inherently complex and favor those who have relevant expertise and familiarity. We are actively involved in all aspects of restructuring processes including structuring and negotiating amendments and waivers, taking leadership roles on steering committees, and driving outcomes through board of director representation post-reorganization of the company. We are typically one of the largest creditors in a company's capital structure which provides the opportunity for significant influence in these processes. We are supported by a global team of in-house lawyers who assist in diligence across all parts of the investment process from an initial read of documentation to aiding in the restructuring of portfolio investments. Since inception, we have been involved in numerous restructurings where we have been successful in leveraging the scale of our Credit Platform and our restructuring expertise to achieve value enhancement for our investors.

The Fund is managed by a dedicated team of investment professionals with a long history of investing in both broadly syndicated loans as well as stressed, distressed and special situations opportunities in the small capitalization space. The Fund is led by Paul Triggiani who was previously co-head of US Corporate Investments and Managing Director of Strategic Value Partners. The Fund is overseen by a formal investment committee responsible for approving investment decisions. Each member of our senior team and investment committee has over 20 years of experience in distressed and special situations investing, and collectively have invested and restructured over \$200 billion in assets over the last three decades.

II. Investment Highlights³

We believe the Credit Platform yields an edge in sourcing, diligence, and execution

- Differentiated ability to source via our \$38+ billion Credit platform's credit library of 2,000+ companies
- Continual expansion of credit library which we estimate to exceed 500 new issue bank loans evaluated in a typical year
- Scale of integrated platform often creates first-mover advantage within our target market
- Private-side orientation provides structural advantage with respect to information access
- Embedded industry expertise creates unique diligence capabilities
- Preferential execution capabilities allowing Invesco Credit Partners ("ICP") to effectively build investment positions
- Dedicated ICP team responsible for sourcing, diligence, and monitoring of all portfolio investments
- Over 90% of ICP Fund I and II investments have been sourced or diligenced in connection with the Credit Platform

Market leader with extensive experience in managing broadly syndicated liquid loans

- \$38+ billion broadly syndicated loans assets under management
- Invesco has been managing broadly syndicated loans for over 30 years and plays in all aspects of the market – Institutional, Retail, exchange-traded fund ("ETF") and collateralized loan obligation ("CLO")
- Dedicated team of 52 seasoned investment professionals, 100+ professionals in total
- Invesco's customized proprietary tool suite, including Rock Bottom Spread ("RBS"), support a quantitative analytical framework and predictive credit research in broadly syndicated loans
- Invesco's private side orientation allows access to management and early looks at new loan transactions as the arrangers seek feedback on pricing and terms

Focus on inefficient small capitalization space can provide attractive risk-adjusted returns

- Small capitalization space provides evergreen opportunity set that is actionable in today's environment
- Smaller companies tend to be more frequently impacted by operating, industry, and customer related challenges allowing us to create a portfolio of broad-based gross domestic product ("GDP")-like investments
- Inefficient market creates opportunity set we believe is overlooked by competitors

³ Certain statements made herein reflect the subjective views and opinions of the Manager and its affiliates. Such statements cannot be independently verified and are subject to change. In considering the performance information contained herein, prospective investors should bear in mind that past or targeted performance is not necessarily indicative of future results, and there can be no assurance that the Manager will achieve comparable results. Investing in the Fund involves significant risks, including loss of the entire investment. Please see page 10 for important disclosures relating to the information presented herein.

- Smaller company focus requires specialized diligence skillset and creates barriers to entry
- While not necessary, a downturn in economic conditions further enhances opportunity set for our Fund
- ICP has deployed over \$1.3 billion across our previous vintages over what can be deemed a historically benign default environment

Proactive approach to value creation can drive enhanced returns for investors

- Proactive approach to financially and operationally-intensive restructurings using industry consultants, operating partners, and C-suite executives with whom we have worked for decades
- Ability to leverage Credit Platform's scale in restructuring processes to achieve value enhancement for our investors
- Leadership role in steering committees coupled with ability to provide new money
- Active involvement leading the structuring and negotiation of amendments and waivers
- Board representation and control post-reorganization can drive financial, strategic, and operational change

Strategy employs a fundamental, high conviction due diligence approach

- Extensive, in-depth private equity-style diligence with focus on fundamental versus relative valuation
- We target Investments at a meaningful discount to intrinsic value, which can provide downside protection
- Preference for seniority and security in capital structure as an entry point may help mitigate risk
- Catalyst-driven investment style identifies key value drivers upfront allowing us to work with management teams to drive toward monetization event

100+ member global credit team with significant reorganization expertise

- Credit Platform's 100+ member global credit team has extensive in-and out-of-court restructuring investment expertise
- ICP has successfully deployed over \$1.3 billion of capital in stressed, distressed and special situation opportunities, including stressed credit investments, distressed-for-control transactions, exchange offers, debtor-in-possession financings, new money financings, rescue financings, privately structured loans, preferred equity, and post-reorganized equity
- Investment committee and senior team members have each spent over two decades investing in and working with stressed, distressed and special situation opportunities, having restructured over \$200 billion of debt
- ICP is supported by global, in-house team of dedicated legal resources in both the U.S. and Europe

Potential for generational distressed and special situations market opportunity today

- Potential for sequential cycles – Covid-19 pandemic likely followed by global recessionary environment

- We believe smaller, private companies were disproportionately affected given lack of funding during prior three years of Covid-related disruption to private credit markets
- Record inflation across many developed global economies has significantly increased input costs for most businesses⁴
- Within our existing investment pipeline, higher interest rates, via both base rates and credit spreads, are exacerbating stress on company-level cash flows already burdened by weakened demand during Covid as well as higher cost structure inputs⁵
- Today's leveraged credit market (sub-investment grade) is two-to-three times larger than during the Global Financial Crisis ("GFC"), with record issuance of B3/B- rated (one notch from CCC) and unrated debt in our target market⁶
- We believe this vintage of opportunities will have less operationally-focused turnarounds given distress in today's economy may result in a more broad-based recession relative to prior cycles which were more sector-driven

⁴ Source: U.S. Federal Reserve, European Commission and UK office for National Statistics as of September 30, 2022.

⁵ Source: Invesco as of February 8, 2022. Based on observations of challenges of companies currently being evaluated by Investment team.

⁶ Global Loan, High Yield and Direct Lending market included in levered credit markets. Loans rated B3 and B- by Moody's and S&P respectively. Credit Suisse, S&P LCD and Preqin as of December 31, 2022.

Each investment is subject to its own unique risks and the financial performance of the investments will vary from investment to investment and those variances may be material. An investment or investment strategy is impacted by numerous factors, including market and economic conditions, which are out of the control of the Manager, and which may result in a loss to investors. Any targeted, forecasted or other estimated rates of return or performance contained herein are necessarily speculative in nature, hypothetical, involve elements of subjective judgment and analysis, and are based upon certain assumptions and the best judgment of the Manager. Such assumptions include: (i) the ability to source and acquire attractively priced assets; (ii) the expected response of specific investments to market conditions; (iii) the availability of leverage for certain investments at expected terms; and (iv) The Manager's outlook for certain global and local economies and markets as it relates to potential changes to the regulatory environment, interest rates, growth expectations, corporate or consumer fundamentals and the health of the economy. It can be expected that some or all of such assumptions will not materialize or will vary significantly from actual results. Any change or inaccuracy in the assumptions will have a material impact on actual results, and it should not be assumed that any targeted (including forecasted or other estimated) returns or performance shown herein will be achieved. The Manager's targeted performance information is not a prediction or projection of actual results and there can be no assurance any such targets will be achieved. The actual returns of any individual investment can be lower or higher, depending on the nature of any individual investment. The Manager's evaluation of a proposed investment is based, in part, on the Manager's internal analysis and evaluation of the investment and on numerous investment-specific assumptions that may not be consistent with future market conditions and that may significantly affect actual investment results. The Manager's ability to achieve investment results consistent with these targets depends significantly on the accuracy of such assumptions. Based on the methodology and assumptions herein, the Manager has arrived at what it believes are realistic targeted returns. These targeted returns are hypothetical in nature, do not represent actual returns to any investor, and do not represent the actual returns of any of the Manager's funds. Hypothetical returns have inherent limitations and prospective investors should not rely on any hypothetical performance shown herein. No representation is being made that any fund or investor will or is likely to achieve the results shown. The targeted returns are based on the current judgment of the Manager's investment professionals, which may change.

III. Executive Summary of Terms

The following is an executive summary of key terms of the Fund. Please refer to Section VIII – “Principal Terms of the Fund” for a more detailed summary of the principal terms of the Fund.

Fund:	Invesco Credit Partners Opportunities Fund 2023, L.P., a Cayman Islands exempted limited partnership having its registered office at Ocorian Trust (Cayman) Limited, Windward 3, Regatta Business Park, Grand Cayman KY1, West Bay Rd, 1108, Cayman Islands.
General Partner:	Invesco Credit Partners Associates III, L.P., a Delaware limited partnership.
Investment Strategy:	The Fund intends to seek equity-like returns by investing initially in high-quality broadly syndicated loans with the aim to completely transition the Fund’s exposure to distressed assets alongside the ICP III strategy. Accordingly, after the transition, the Fund intends to invest primarily in opportunistic distressed and special situations investments in small capitalization companies that typically have a total market enterprise value of between \$100 million and \$500 million. The Fund may also invest in privately structured investments, debtor-in-possession loans and distressed for control positions and post-reorganization equity.
Investment Period:	Four years and three months from the date of the closing of the Fund (“the “Closing”).
Term:	Eight years and three months from the closing date, subject to 2 one-year extensions by the General Partner in its sole discretion.
Management Fee:	0.85% per annum of invested capital.
Management Fee Offset:	100%.
Preferred Return:	5%.
Carried Interest:	17.5% of profits.
Organizational Expense Cap:	\$2 million.

IV. Market Opportunity

Broadly Syndicated Loans

The senior loan team believes that the broadly syndicated loan marketplace provides both long-term strategic and tactical investment opportunities arising from developing credit trends and attractive relative value. In our experience, broadly syndicated loans typically offer a high level of current income and, as a result of their defensive position at the top of the capital structure, may provide capital protection in the event of default. In addition, the floating rate nature of broadly syndicated loans generally offers clients a credit solution that may help provide price protection in a rising interest rate environment. ISSM seeks to enhance investors' ability to achieve stability of returns, preservation of principal, and continuity of income through dedicated access to the broadly syndicated loan asset class, with an explicit focus on credit fundamentals and proprietary tools that encourage investing across a full credit cycle.

We believe broadly syndicated loans continue to represent an attractive allocation due to the following factors:

1. Broadly syndicated loans have provided attractive current income through all market cycles—even stressed and defaulted broadly syndicated loans typically pay current interest
2. Broadly syndicated loans have had less volatility than traditional assets—including fixed income
3. Broadly syndicated loans have typically exhibited a high risk adjusted return
4. Broadly syndicated loans are senior and secured and the first to get paid back—a comprehensive credit risk mitigation mechanism
5. Broadly syndicated loans have had low correlation to traditional assets—providing potential benefits with portfolio diversification
6. Broadly syndicated loans have minimal duration risk—providing a hedge against rising interest rates.

Currently, we believe broadly syndicated loans offer attractive income with low volatility as with market spreads-above historical averages while three-month LIBOR is materially higher relative to levels in early 2022. Fundamentals continued to hold up as well with the default rate hovering well below historical averages and issuer leverage, interest coverage, and cash balances generally in good shape. Moreover, limited new broadly syndicated loan supply and steady CLO formation made for a firm market technical. Owning well over half of all broadly syndicated loans outstanding, CLOs remain a key source of stability for the broadly syndicated loan market, from our perspective.

Looking ahead, we believe the market will be characterized by solid performance of high-quality assets, offset in part by rising idiosyncratic risk and price dispersion amid an uneven growth backdrop. The aggressive rate hiking actions taken by the Fed have lessened the chance they will be able to engineer a soft landing. That said, we believe that actions taken by many company issuers to shore up their balance sheets over the past 18+ months will allow the vast majority of borrowers to manage through a challenging macroeconomic environment should that eventuate.

Thus, while we do expect default activity to increase over the next 12-18 months and surpass the long-term average of ~3%, we ultimately believe defaults will remain relatively modest to those levels observed during the Great Financial Crisis. It is important to recall that if a more severe recession were to occur, the senior secured status of the asset class affords investors downside protection.

Distressed Credit

We focus on small capitalization companies which tend to experience distress more frequently as a result of idiosyncratic events rather than economic or commodity cycles. As a result, our strategy is not dependent on negative macroeconomic events nor sector-specific dislocations to generate actionable investment opportunities. This dynamic has been demonstrated throughout our team's multiple decades of experience of consistent capital deployment across different points in economic cycles. However, we believe the combination of slowing global growth, record inflation, rising interest rates, and weakening economic fundamentals in the US, UK, and Europe, will greatly enhance our opportunity set. The confluence of these events over the past several years has created a structural expansion in the Fund's small capitalization distressed opportunity set which we believe will persist for multiple years.

Covid and Shaping of Persistent Small Capitalization Distressed Opportunity

The Covid-19 pandemic, which began in late 2019 and continues to some extent today, depressed demand across most of the macroeconomic landscape. While some industries were impacted to a greater degree than others, none were unaffected. We believe our target market of small capitalization companies generally suffered to a much greater degree than larger companies; while public equity and credit markets reopened quickly for larger issuers, they remained closed for smaller and private (as most of our addressable market is) companies. Facilities set up by central banks at that time to provide liquidity to smaller businesses were difficult, if not impossible, for private equity-owned businesses to access. For instance, the U.S. Main Street Lending Facility, a \$600 billion facility designed to provide liquidity to smaller companies, was barely drawn down (less than 3% utilized) as private equity funds were required to aggregate their holdings causing them to be too large to qualify for the facility.⁷ Furthermore, many of these companies were severely impacted from both a decrease in demand for their goods and services as well as severe disruptions to their supply chains.

During the pandemic, global central banks reacted with policies designed to create economic stimulus as well as support the public equity and credit markets – essentially a continuation of the prior decade plus of easy monetary policy. The end result, apparent in current macroeconomic results as well as recent company-level performance, has been rampant inflation (see Exhibit 2) across virtually all sectors of the economy. During 2022, global inflationary concerns dominated the economic landscape severely impacting economies in the United States, United Kingdom, and across the European Union.⁸

⁷ Source: Federal Reserve, FEDS Notes Release, 'Uptake of the Main Street Lending Program' as of April 16, 2021.

⁸ Source: U.S. Federal Reserve, European Commission and UK office for National Statistics, as of September 30, 2022.

In response, global central banks reversed course aggressively raising interest rates and tightening monetary policy (see Exhibit 3).

Exhibit 2: Historical Inflation Rates⁹

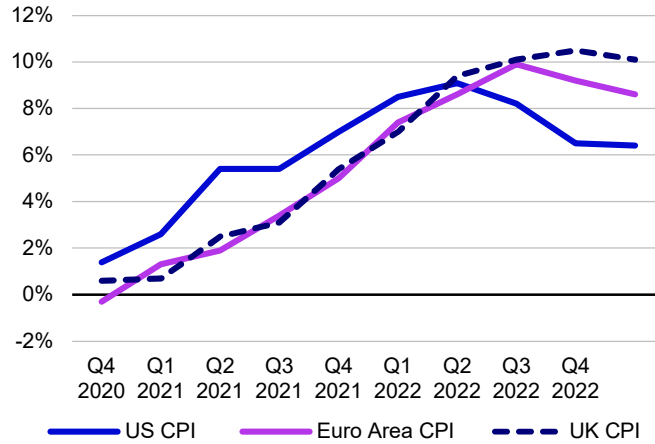
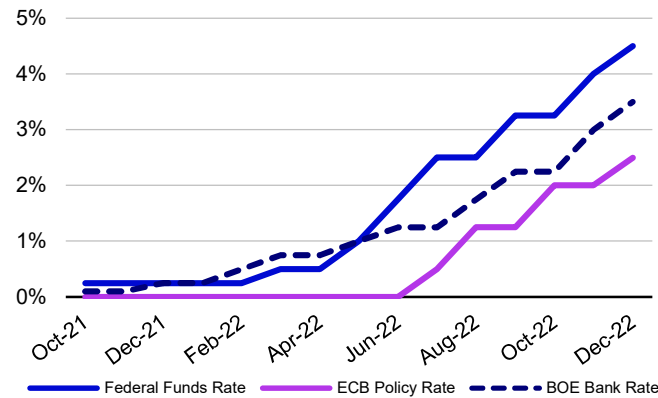


Exhibit 3: Historical Central Bank Policy Rates¹⁰



⁹ Source: Bloomberg, as of January 31, 2023.

¹⁰ Source: Bloomberg, as of December 31, 2022.

Many companies with floating rate debt felt increased pressure from these central bank actions – further burdening cost structures already stretched by higher raw material inputs, elevated energy prices (see Exhibit 4), and increasing labor costs and shortages (see Exhibit 5).

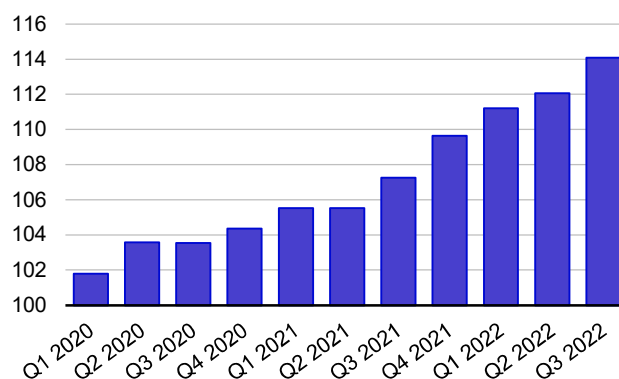
Exhibit 4: Historical Energy Price Changes¹¹

(December 2020 to December 2022)

Commodity	Price Change
WTI Crude	+47.6%
Natural Gas	+44.8%

Exhibit 5: Historical Employer Cost Changes for Compensation – Private Industry Workers¹²

(Indexed to 100 as of December 2019)



While businesses had been able to offset these higher input costs by increasing prices, they are now experiencing a significant fall off in demand for goods and services as exhibited by the downward trend in real consumer spending (see Exhibit 6). Household balance sheets have also weakened materially with personal savings rates declining and household debt steadily increasing (see Exhibit 7). These trends may pose increasing risk across many industries as well as the broader economy.

Exhibit 6: Real Consumer Spending Year-over-Year % Change¹³

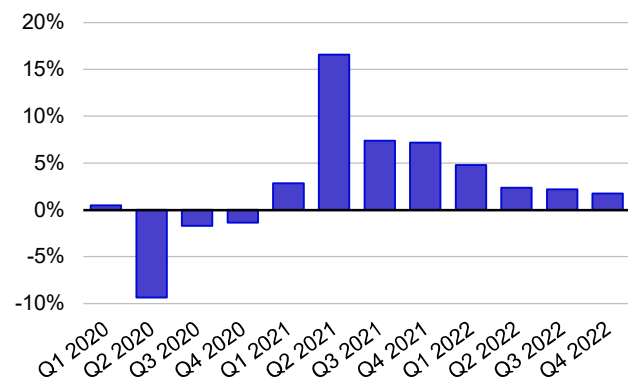
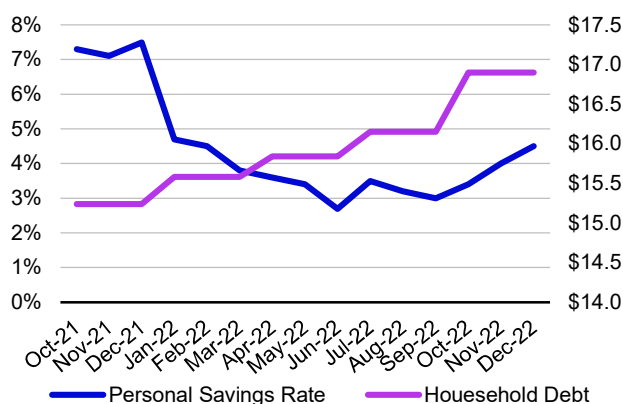


Exhibit 7: Historical Personal Savings Rate & Household Debt¹⁴ (in trillions)



¹¹ Source: Bloomberg, as of December 31, 2022.

¹² Source: Bureau of Labor Statistics as of December 31, 2022.

¹³ Source: Bloomberg, as of December 31, 2022.

¹⁴ Source: Bloomberg, as of December 31, 2022.

To this end, we are already seeing significant downward revisions to earnings guidance across multiple sectors for 2023. Layoffs and reductions in force have become commonplace as businesses look to adjust their cost structures. Ultimately, we believe it may take several quarters and perhaps years before global economies return to pre-pandemic levels (see Exhibits 8 and 9).

Exhibit 8: Historical and Expected Central Bank Policy Rates¹⁵

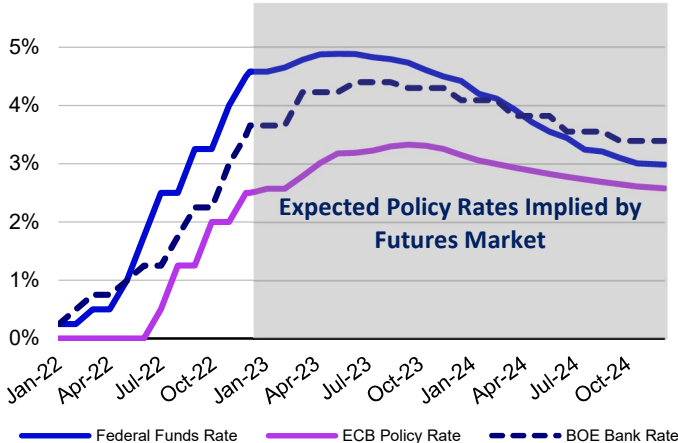
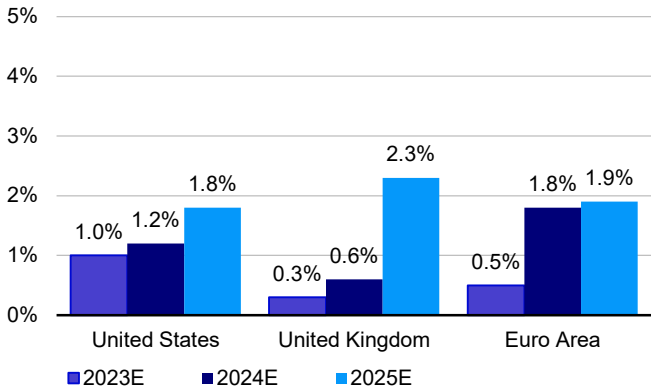


Exhibit 9: Gross Domestic Product Forecasts¹⁶



The ongoing war in Ukraine is also impacting economic and capital markets, as are heightened geopolitical tensions between China, Taiwan, and the related US policy. Each of these situations have the potential to further affect supply chains, commodity prices, agricultural flows, and industrial activity – not only in the European Union and United Kingdom, but also within the United States. When taken together with the above-mentioned lower growth and potentially recessionary outlook, these geopolitical issues may prove to be the difference between a mild slowdown and a deeper recession for global economies.

¹⁵ Source: Bloomberg, as of December 31, 2022.

¹⁶ Source: IMF, as of October 11, 2022.

We are seeing the effects of these issues within our stressed, distressed, and special situations pipelines – all of which are currently at levels that exceed the depths of the Covid-19 pandemic. Interestingly, the non-investment grade credit markets have increased meaningfully and are now approximately two-to-three times larger relative to the period going into the 2008 GFC (see Exhibit 10). Even assuming a modest level of defaults, half of what occurred during the GFC or approximately 5% over the course of the next 12 to 18 months, would result in a larger distressed opportunity set in the coming years than what we experienced in 2008 and 2009. Given the volatility experienced in 2022, we have already witnessed a strong increase in distressed ratios across both leveraged loans and high yield bonds (see Exhibit 11).

Exhibit 10: Growth of the Global Leveraged Loan, High Yield and Direct Lending Markets¹⁷

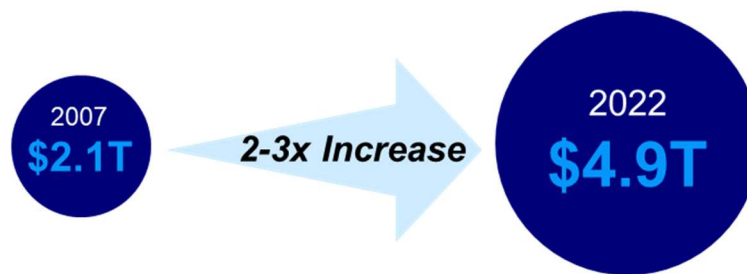
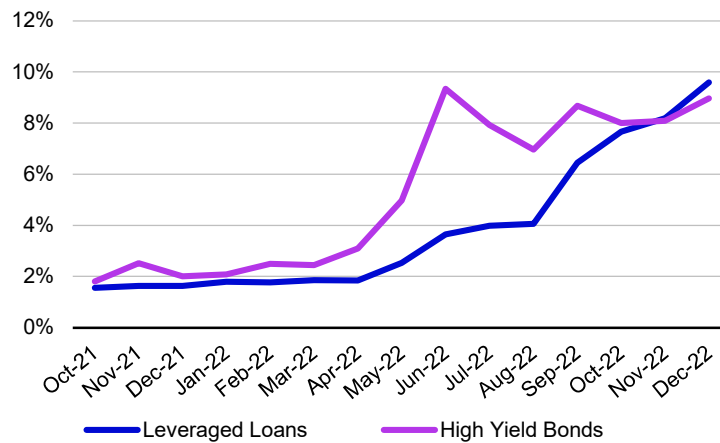


Exhibit 11: Distressed Ratios by Count¹⁸



¹⁷ Source: Global Loan, HY and DL Market, Credit Suisse research and Preqin as of December 31, 2022.

¹⁸ Source: Morningstar LSTA US Leveraged Loan Index, S&P High Yield Corporate Bond Index as of December 31, 2022. Distressed loans connoted as those priced below 80; distressed bonds as those trading above 1,000 basis points.

Pertinent to our small capitalization opportunity set (which we currently estimate at over \$500 billion), the last several years have seen a significant amount of overall issuance specifically in B3/B-rated (one notch from CCC) and unrated debt – much of which was issued by small capitalization companies (see Exhibits 12 and 13). In the coming quarters, we believe there is a strong likelihood that much of this debt will be downgraded as the economy continues to soften. These downgrades will likely create significant selling pressure for many original or “par” holders of this debt, particularly Collateralized Loan Obligations (“CLOs”), who represent approximately 70% of the leveraged loan market and in our experience generally have challenges holding material amounts of CCC-rated debt.¹⁹ We believe this sequence of events will provide a sustained, robust opportunity set for us to invest in good companies, primarily through senior secured debt, at attractive valuations, in the years to come.

Exhibit 12: Loans Rated B3 or Lower as % of Total Issuance²⁰

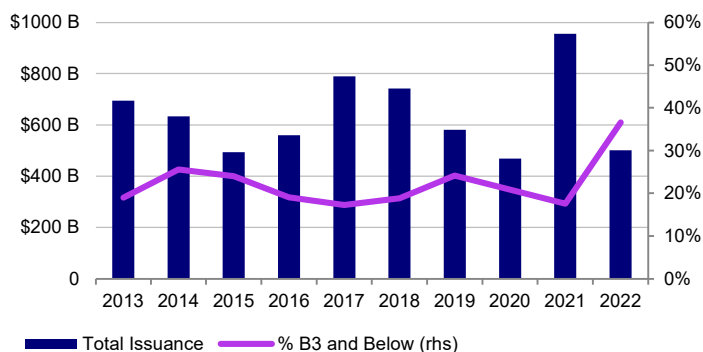
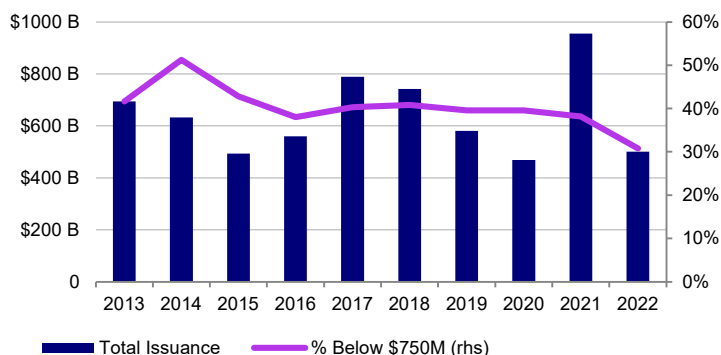


Exhibit 13: Loans Sized under \$750M as % of Total Issuance²¹



¹⁹ Source: Bloomberg, ‘CLO Investors Brace for Credit Risk in Loans Next Year’, as of December 2022.

²⁰ Source: Global Loan Market, S&P LCD as of December 31, 2022.

²¹ Source: Global Loan Market, S&P LCD as of December 31, 2022. Loans Rated B3 include those rated B3 and B- by Moody’s and S&P, respectively; or are not rated (NR).

V. Investment Philosophy and Strategy

Broadly Syndicated Loans

ISSM's philosophy for investing in broadly syndicated loans requires:

- A dedicated and fully resourced team
- A thorough, insightful credit analysis and access to companies' private-side information
- A demonstrable ability to assess both the relative value and the risks of individual credit opportunities
- A proven efficacy in developing top-down macro views for the purpose of risk and sector positioning
- An unwavering strategic focus on portfolio outcomes achieved over full market cycles, with the benefit of short term tactical return capture.

The team's core investment philosophy and process has remained unchanged and is grounded in a fundamental bottom-up risk assessment of each issuer/issue in which it invests coupled with top-down macro risk positioning tied to broader economic trends.

The process is dynamic and has been enhanced over the years by the introduction of a suite of quantitative tools to provide a consistent foundation for risk assessment across sectors and issue types. Over time, these quantitative tools have been expanded to better capture elements of volatility and risk-adjusted returns across the entirety of the investable universe in order to optimize the relative value component of the analytical process.

Invesco's Broadly Syndicated Loan strategy seeks to deliver distinct client benefits through the following:

Depth and breadth of resources

ISSM has been managing broadly syndicated loans since 1989, making the firm one of the original investors in this asset class. With 100+ professionals dedicated to the senior loan team, including 52 investment professionals as of March 31, 2023, ISSM has one of the largest dedicated teams in the senior loan space. The team believes that organizational size and depth of expertise is vital in this market, given the dynamic nature of broadly syndicated loans, the trading environment, along with the sheer number of issues and issuers.

Market presence and scale

ISSM is one of the largest senior loan managers in the world, with US\$38+ billion of assets under management as of March 31, 2023. This advantage occurs both in the new-issue market and in the secondary market. As a result of its leadership position in both active and passive management, we believe ISSM is one of the most significant trading counterparties in the global senior loan market with US\$35+ billion in primary and secondary market trades in 2022. The diversity of ISSM's broadly syndicated loan platform and the size of its dedicated senior loan staff combine to facilitate exceptional market access, depth of understanding, and synergies across multiple investment offerings. ISSM's scale helps enable the firm to:

- Garner favorable trade execution
- Provide underwriters with decisive, value-added views on the market, transaction structures, and pricing
- Receive preferential allocations on new issues - improving investor outcomes

Credit process and proprietary tools

ISSM's analytical methods and tool suite establish the industry standard for predictive credit research in broadly syndicated loans. By achieving a quantifiable and directly comparable methodology of the default risk and recovery potential, ISSM believes that its analytical framework establishes a distinct information advantage in the active management of loan portfolios.

Private side investor

The team is solely focused and dedicated to the broadly syndicated loans asset class. As broadly syndicated loans are not public securities, the team is organized to access private side information and maintains a separation from other teams at Invesco that trade in public securities. This organization allows the senior loan team to access and use non-public information made available by loan issuers (e.g., company financials and projections) without compromising other teams at the firm. This access provides an information advantage over competitors that do not access such information and best aligns ISSM's structure with its clients' needs. Access to private information means greater access to senior management and company projections. In addition, the team can obtain financial information from issuers outside of the standard quarterly "public" reporting periods. By leveraging this information in the initial credit decision, as well as in ongoing monitoring of investments, the team believes that it enjoys an information advantage over competing managers. While private information may not be as important in a benign (low) default environment, it plays a vital role in exposure positioning when companies are having difficulties or may default.

Breadth of ISSM's broadly syndicated loan offerings

The ISSM broadly syndicated loan platform includes:

- Commingled US, European and Global, and ESG institutional funds

- Separate institutional accounts for both domestic and international clients
- ETFs
- Daily liquid retail funds
- Continuously offered, interval retail fund
- Closed-end retail funds
- US CLOs
- European CLOs

The attractiveness of broadly syndicated loans varies by market condition and investor objectives. We believe ISSM's breadth of product offering improves understanding of the details and nuances that drive market trends. First-hand knowledge of the broadly syndicated loan retail market, including open and closed-end retail funds and the ETF segment, benefits the institutional investor in the asset class. This breadth also helps enhance organizational resilience as managers dependent on a single product line may have to reduce resources if asset growth from that channel slows. Recognition of ISSM's expertise in the asset class influences relationships with loan arrangers, in our experience resulting in enhanced access with arrangers and management teams before the launch of a transaction. Historically, this has led to attractive allocations to new issues.

Distressed Credit

Our distressed credit philosophy is grounded in three core beliefs – our platform advantage, our small capitalization focus, and our proactive approach to value creation post-investment. We believe our Credit Platform provides a competitive edge in sourcing, diligence, and execution, and that inefficient markets can provide attractive risk-adjusted returns regardless of economic cycles. We express this philosophy through a differentiated strategy that focuses on leveraging our Credit Platform's significant market presence, extensive credit library, and embedded sector expertise to invest primarily in stressed, distressed, and special situations. We believe this strategy allows us to proactively identify and diligence attractive investment opportunities that are otherwise overlooked by traditional distressed investors. Typically, we target the small capitalization space where we believe idiosyncratic issuer challenges make this segment structurally inefficient.

We prefer senior secured debt as our entry point as it offers certain creditor protections, control, and priority in restructuring processes – both key factors that can mitigate downside risk. We also enter investments at what we believe to be substantial discounts to the intrinsic value of a business. While we do consider trading comparables, precedent transactions, or what a private equity fund previously paid for a specific business as interesting data points, we do not believe they are indicative of what a business is worth. Rather, we form our own view of value based on the business itself, the

sustainability of its margins and cash flows, its industry, and ultimately its potential return on invested capital. As special situations and distressed credit investors, we seek to create attachment points that are typically well below intrinsic value. Once a business is no longer distressed, either because we have turned around operations, or because we have restructured and/or eliminated its liabilities through a debt-to-equity conversion, the value we expect on a sale is significantly higher. This transition is important as a debt claim can only be worth par plus accrued interest. We believe equity ownership, created by the conversion of debt to equity, uncaps our upside potential and allows us to pursue attractive overall returns.

Finally, we are proactive managers post-investment. In our distressed and special situations investments, we generally seek to control the board of directors or are the largest shareholder. We implement financial, strategic, and operational change quickly and efficiently. In many cases we augment management teams with operating partners and/or consultants with whom we have worked for decades. Our strategy incorporates 100-day as well as longer-term planning into our pre-investment diligence process typically using C-suite level industry executives so we are additive to the financial, strategic, and operational direction of the business once we assume control.

Platform Advantage

We believe our ability to leverage our \$38+ billion Credit Platform's overall scale and credit library of 2,000+ companies sets us apart by enabling us to proactively source and diligence attractive investment opportunities ahead of the competition. From a diligence perspective, we are able to leverage the Credit Platform's, embedded industry expertise, sponsor relationship network, industry contacts, detailed analysis, internal reports, and additional relevant information compiled over the last 30 years. In fact, over 90% of the investments of ICP's prior vintages had a sourcing or diligence connection to the Credit Platform.

Importantly, the Credit Platform benefits from a private-side orientation which we believe provides us with a significant structural advantage with respect to information access. This private-side orientation contrasts with many of our competitors who employ a public-private approach which restricts information sharing and access to management. We believe our ability to access this credit library is unique as it provides us with a diverse radar screen of relevant, up-to-date opportunities as well as a significant diligence repository of private information. Our Bank Loan Group is segmented into focused industry verticals where sector leaders have significant experience covering their assigned verticals. We believe this level of industry expertise provides us with an extensive, seasoned resource base upon which we can draw. In our experience, sector expertise of this caliber is uncommon in the small capitalization space, where firms typically employ a generalist approach. The sector-focused structure of our Credit Platform enables us to identify actionable opportunities we believe are overlooked by our competitors. We view access to this level of information as a significant competitive advantage, allowing us to perform diligence on a potential investment quickly and efficiently.

As one of the largest bank loan platforms globally, our Credit Platform maintains strong relationships with the financial sponsor community across the United States, Canada, the European Union, and the

United Kingdom. Specifically, the Bank Loan Group is an important financing resource for many private equity sponsors which provides us with extensive access to many sponsor investment teams. This connectivity benefits us not only from an informational perspective, but also allows us to work proactively with sponsors at the onset of a restructuring process to facilitate a constructive outcome. By taking this approach, we ensure that we play an integral role in the restructuring discussions and meaningfully shape the dialogue.

The Credit Platform's significant scale and market presence within the leveraged credit segment also enables ICP to benefit from extensive market connectivity in building investment positions. In our experience, the Bank Loan Group's active trading style makes it a top-tier trading counterparty to the broker-dealer community. Trading within the broker-dealer community is not democratic and sell-side institutions typically favor transacting with large, established relationships. As a result, we believe we often get a first look at unique market opportunities well ahead of our competition. We believe this execution related edge and the scale of the Credit Platform often provides us with a distinct first-mover advantage.

Small Capitalization Focus

The small capitalization company space provides a consistent, diverse investment opportunity set that is less dependent on economic cycles and offers potential for attractive risk-adjusted returns relative to the large capitalization distressed credit universe. We believe that smaller companies tend to experience distress more frequently due to idiosyncratic events rather than economic cycles. In our view, investment opportunities within this space tend to track GDP in terms of industry diversification and are not solely reliant on sectors that are experiencing distress. In contrast, the large capitalization opportunity set is typically dependent on negative macroeconomic events or sector specific dislocations to generate actionable investment opportunities. Historically, large capitalization distressed opportunities have been concentrated within specific, cyclical industries as evidenced by the distress seen over the last two decades. We believe that the small capitalization market is much more diverse from an industry perspective providing us with an evergreen opportunity set.

We believe our specialized skillset and the breadth of our Credit Platform create a competitive advantage and represent a significant barrier to entry with respect to sourcing investment ideas across small capitalization companies. Our investment professionals have a long history of investing and transacting in this space and have developed an established sourcing network that provides access to differentiated deal flow. Our investment sourcing within this space goes far beyond the typical, regular-way advisory community upon which we believe many of our competitors rely. Importantly, we take a proactive approach to sourcing through our own relationships as well as through those of the Credit Platform. The Credit Platform enables us to proactively leverage a dedicated resource base of over 100 professionals to identify and source investment opportunities that reside specifically in the small capitalization space. These companies are not regularly quoted or traded on Bloomberg screens and sell-side institutions typically do not make active markets in these smaller loans or bonds. Investment banks and trading desks typically focus resources on larger, more liquid financings that have the potential to generate significant trading volumes and associated commissions. Given the smaller size of our target companies, we find that many intermediaries often

ignore or overlook these situations. Additionally, in many instances, access to loans of these companies are typically held by a concentrated lender group, which requires a specialized relationship network to access. In certain instances, we may invest in larger credits when the inefficiencies that typically characterize small capitalization companies are present. These include situations where we can invest in a smaller tranche within a larger capital structure, where the Bank Loan Group is a large lender, or where we are able to leverage this dynamic to drive restructuring negotiations. We believe this proactive platform approach not only allows us to source better, differentiated investment opportunities, but also provides us significant diligence advantages.

Obtaining information and evaluating investments in small capitalization companies is not a straightforward process. Most companies in this universe are private and are generally not required to maintain SEC filings (e.g., 10-Ks or 10-Qs). Accounting statements are bespoke and are provided by the company and its auditors; and oftentimes direct interaction with the company's finance team (e.g., CFO, Treasurer, Controller, etc.) is required. Additionally, legal documentation (e.g., credit agreements and indentures) can be highly customized and typically do not follow traditional formats. Familiarity with the underlying industry and certain niche sub-sectors is also important. We believe the Credit Platform's extensive in-house credit library and sector focused investment teams provide us with a distinct information advantage as the Bank Loan Group and Direct Lending Group have evaluated over 95% of the \$500+ billion of small capitalization opportunities in the market today. Additionally, the Bank Loan Group's embedded industry expertise aids significantly in the overall due diligence process. Frequently, we evaluate potential investments where the Bank Loan Group or Direct Lending Group is investing or has invested in a competitor, customer, and/or supplier of the business we are reviewing. We believe this repository of private information and access to company competitors, customers, and suppliers, provides us with a significant information and diligence advantage.

ICP's ability to leverage our platform in trade execution is also a significant advantage especially in the small capitalization space. Tranches of debt in this space are smaller in absolute size, tend to trade infrequently, and are typically negotiated directly with the selling party. When transactions do occur, they transact in limited amounts, making it difficult to build meaningful investment positions. Through the Credit Platform, we believe we benefit from preferred access to trades as well as an internal current and original lender database which enables us to build positions to desired hold sizes. We believe this execution-related edge is a significant competitive advantage particularly when transacting in the small capitalization space.

Proactive Value Creation

Our investment professionals have extensive experience investing in stressed, distressed, and special situations opportunities. In particular, senior members of the investment team and investment committee have each spent over two decades investing in and working with stressed and distressed credit opportunities and have restructured over \$200 billion of debt. Since inception, we have been involved in a number of restructurings where we have been successful in leveraging the scale of the Credit Platform and our restructuring expertise to achieve value enhancement for our investors.

Importantly, we focus extensively on value creation for our investors in two ways. First, we seek to enter investments at substantial discounts to what we deem to be intrinsic value. Second, we take a proactive approach to adding value post-investment – either operationally, strategically or via a restructuring. These value creation drivers, discussed in greater detail below, are consistently applied whether we look to invest in event-driven, stressed credit opportunities or distressed-for-control and special situations transactions.

Substantial Discounts to Intrinsic Value

We enter investments at what we believe to be a substantial discount to the intrinsic value of a business. While we do consider trading comparables, precedent transactions, or what a private equity fund previously paid for a specific business as interesting data points, we do not believe they are indicative to what a business is worth. Rather, we form our own view of value based on the business itself, the sustainability of its margins and cash flows, its industry, and ultimately its potential return on invested capital. As special situations and distressed credit investors, we seek to create attachment points that are typically well below intrinsic value. Once a business is no longer distressed, either because we have turned around operations, or because we have restructured and/or eliminated the liabilities through a debt-to-equity conversion, the value we expect on a sale is significantly higher. This transition is important as a debt claim can only be worth par plus accrued interest, equity upside – created by a debt-to-equity conversion – is theoretically unlimited.

Operating and Strategic Value Add

Post investment, we often seek to create value via operating and/or strategic value add. Historically, our goal as distressed investors has been to invest in situations where we need to fix both sides of a company's balance sheet. In operationally intensive turnarounds, we have been highly focused on industries we know well, where we have a deep bench of relationships with C-suite executives, operating partners, and consultants with whom we have successfully partnered. Financially intensive restructurings have also been a core part our skillset, where in many situations, we have created and implemented novel structures through various restructuring and bankruptcy regimes across the US, the UK and Europe.

More recently, however, we are finding distressed businesses to be less operationally challenged. Instead, these companies have tended to be liquidity-constrained and over-leveraged. Importantly, as a result, we believe many current opportunities may have less risk than prior vintages while also offering the potential for meaningful EBITDA and cash flow uplift. It is not uncommon for profitability to increase meaningfully in our underlying investments, either by reinvestment in operations (given cash flow has been freed up via a significant reduction in debt and interest expense), by actual operational adjustments to the business, by cyclical end market recoveries, or by cost savings and consolidation. In some cases, add-on acquisitions may include synergies which increase revenues and reduce costs as well. Of course, the magnitude of potential profit growth is unique to each investment. However, in our experience, taking a distressed situation and normalizing its market perception typically results in increasing business prospects, cashflow, and ultimately value.

Restructuring Value Add

Generally speaking, taking a company through bankruptcy is expensive and disruptive to its business. However, when done correctly, restructurings can be accomplished constructively and create tremendous value. A hallmark of our process is driving consensual restructurings while seeking to avoid costs associated with formal, in-court processes. There have been many instances where we have successfully consummated transactions on a fully consensual basis, out-of-court. This approach can garner significant restructuring cost-savings (reduces legal and advisor fees), and more importantly, minimizes business disruption to customers, suppliers, employees, and management.

In instances where we do take a company through formal restructuring processes, we target completing proceedings in weeks relative to much longer industry average timeframe of 18-24 months. Key to our restructuring value add is driving alignment with management upfront – all management teams want to operate businesses with less debt and one in which their equity has significant potential upside. Once aligned with management, we work to drive consensus with other creditors and the equity owners of the business, generally private equity funds. In almost all cases, the equity loses the totality of its value, so we proceed with such conversations delicately, which as a result, can take time. Ultimately, however, we have found most private equity owners do not want a public bankruptcy filing of one of their portfolio companies, nor do they want to alienate management teams by forcing them to destroy value in a potentially long, contested bankruptcy process. We take a “win-win” approach by typically offering private equity owners options or out-of-the money warrants in the new, restructured business. In exchange, we typically ask them to agree to consensually turn over the business to us in an out-of-court process. Through this approach, we have been able to save a significant amount of time, money and ultimately value. Furthermore, we seek to be creative in shedding unwanted liabilities through restructuring processes. In this vein, we have pioneered several novel approaches with our financial and legal advisors such that the businesses we ultimately own are not burdened by legacy liabilities that could constrain growth potential.

VI. Investment Process

Investment Approach²²

Invesco Private Credit Opportunities Fund 2023, L.P. primarily invests in the public or private debt of stressed and distressed companies at a significant discount, seeking a return of 13-15% IRR (net of fees). The strategy focuses on purchasing senior debt which we believe can mitigate downside risk and serve as a means of capital preservation. However, in select instances where we deem the return profile to be commensurate with the underlying risk, we may invest in junior portions of a company's capital structure – including post-reorganization equity. We may also engage in privately structured liquidity or maturity solutions as well as provide financing as part of an in-or-out-of-court restructuring (e.g., debtor-in-possession, rescue, or similar financings).

Our target market is global, including, but not limited to, the United States, Canada, the United Kingdom, the European Union, and Australia – where we have significant experience and comfort with local legal regimes, bankruptcy codes and related creditor rights. We view a reliance on fundamental credit analysis, a preference for senior debt, and a longer-term investment horizon as key differentiating factors which enable us to unlock value potentially overlooked by traditional credit investors.

We believe an investment in the senior position of a target company's capital structure mitigates downside risk and serves as a means of capital preservation. Senior loans may be secured by a lien on some or all of the company's assets and therefore we consider them to be a safer part of a company's capital structure. Furthermore, in a restructuring, senior debt tranches may have significant process and contractual rights which typically can provide for recovery ahead of other tranches of debt and equity. Additionally, we believe the payment of regular coupons allows us to reduce our cost basis over time, provide current income to our investors, and reduce the risk on our original investment.

We generally invest in companies we believe to be fundamentally sound but have been temporarily impacted by operational or financial challenges. Typical causes of distress may include operational issues, end-market softness, funding or liquidity challenges, capital market-related dislocations, or an inability to meet an upcoming debt obligation. We classify these opportunities as either stressed, distressed or special situations. By targeting opportunities within these three categories, we believe we can successfully deploy capital throughout the credit cycle.

We enter investments at what we believe to be a substantial discount to the intrinsic value of a business. While we do consider trading comparables, precedent transactions, or what a private equity

²² Past or targeted performance is not necessarily indicative of future results, and there can be no assurance that the Manager will achieve comparable results. As further provided under the "Executive Summary", any targeted, forecasted or other estimated rates of return or performance contained herein are necessarily speculative in nature, hypothetical, involve elements of subjective judgment and analysis, and are based upon certain assumptions and the best judgment of the Manager.

fund previously paid for a specific business as interesting data points, we do not believe they are indicative to what a business is worth. Rather, we form our own view of value based on the business itself, the sustainability of its margins and cash flows, its industry, and ultimately its potential return on invested capital. As special situations and distressed credit investors, we seek to create attachment points that are typically well below intrinsic value. Once a business is no longer distressed, either because we have turned around operations, or because we have restructured and/or eliminated the liabilities through a debt-to-equity conversion, the value we expect on a sale is significantly higher. This transition is important as a debt claim can only be worth par plus accrued interest, equity upside – created by a debt-to-equity conversion – is theoretically unlimited.

Stressed Investments. Stressed investments consist of companies experiencing idiosyncratic challenges in the context of a highly leveraged balance sheet. These companies typically have discrete and discernable operational issues that we believe we can diligence and quantify. Examples of such idiosyncratic issues include customer losses, mergers and acquisition-related integration issues, working capital shortfalls, overexpansion, or specific end-market issues. Operational challenges in these situations are typically amplified by overleveraged balance sheets, further constraining management's ability to take corrective action. In seeking to alleviate such stress, companies may turn to lenders to modify their credit agreements, reset covenant levels, and/or add additional liquidity. In these cases, we believe ICP benefits dramatically from the Credit Platform's scale which enables us to take active leadership roles on creditor committees where we can drive positive outcomes. We view these amendment scenarios as opportunities to extract additional economics (e.g., fees, coupon increases, paydowns), enhance creditor protections, and improve information rights in exchange for providing limited relief to the company – creating significant additional value for our investors. Our ultimate exit for these types of investments is through selling the debt near par as the business recovers, through a refinancing, or through a company sale. We generally hold these investments for less than one year.

Distressed Investments. Distressed investments generally represent more complex situations in which companies may require comprehensive rightsizing of their balance sheet and a material reduction in debt outstanding. Such instances typically involve a restructuring process which may result in new money investment, exchange offers, debt-for-equity conversions, debt-for-debt exchanges, or a more formal in-court bankruptcy process or out-of-court / consensual process. The ICP investment team has significant experience investing in and navigating restructurings and bankruptcies. We typically play a meaningful role in financial and operational restructurings as well as post-reorganization management. We employ a proactive approach including leadership roles in formal and ad-hoc steering committees and frequently utilize our capacity to provide new money financings. We leverage our extensive restructuring expertise to negotiate and structure solutions that we believe can preserve our invested capital as well as unlock meaningful upside potential for our investors. Post reorganization, we drive change through active board representation focused on both financial and operational changes. Our typical ultimate exit for these investments is through a sale of the business or a refinancing of the capital structure. We generally hold these investments for two-to-three years.

Special Situations Investments. Special situations investments typically involve providing new capital into a stressed or distressed situation and are generally structured as senior secured debt with a

significant portion of the company's equity attached. In most instances, we own a majority of the equity at closing and can therefore exert both economic and strategic control with respect to the company immediately. In some cases, we may structure the initial investment as senior secured debt with equity attached, and as the company grows, we are able to refinance the balance sheet, repay our debt investment, and reduce our exposure with a lower cost of capital, thereby increasing our equity value. There are also instances where we may enter these investments through debtor-in-possession loans, rescue financings, forms of junior debt capital, preferred equity, or other structured solutions. However, in the majority of special situations investments, we are providing an initial senior secured loan and taking control of the business through ownership of the majority of the company's equity. Most situations require not only a refinancing or recapitalization, but also incremental new money to restart and / or revitalize the operations of the business. In some cases, strategic acquisitions may be necessary and may require new money typically provided as part of our investment.

The special situations market has evolved significantly over the last two decades from simple rescue financings and debtor-in-possession loans to a market where private equity sponsors are now actively approaching our fund for holistic capital structure solutions. In particular, smaller companies, particularly impacted during the last three years by the Covid-19 pandemic, are now likely facing a global recession. Many of them have been liquidity constrained for several years, are highly leveraged, and have near term maturities. Growth has been difficult given these conditions and the prospect of entering the next several years with an impending refinancing or lack of access to capital is challenging at best. We have made several investments as a result of these conditions over the last two years and believe we will continue to see an increased dialogue with private equity sponsors with respect to these type of proactive transactions.

Broadly Syndicated Loans

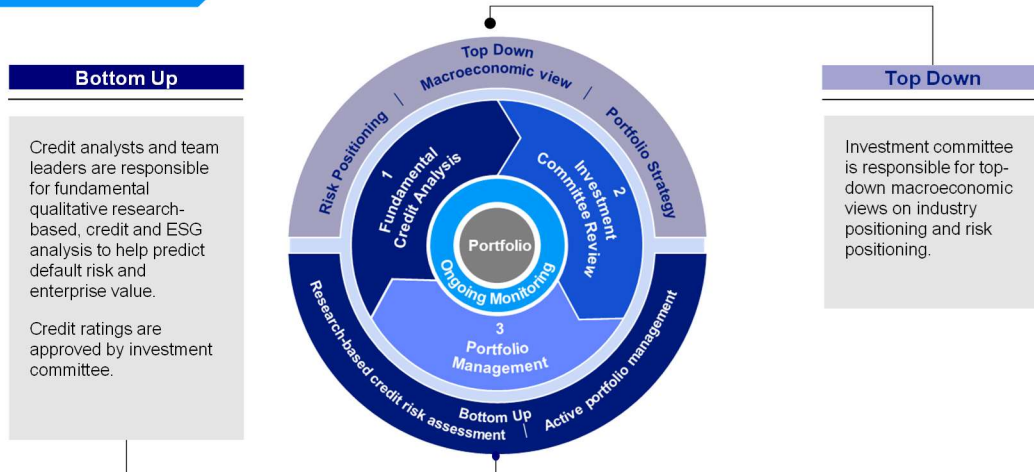
ISSM's investment process is grounded in a fundamental bottom up risk assessment of each issuer/issue that is held within a portfolio. Credit analysts are responsible for the name-by-name, bottom-up analysis, which is combined with top down macro and sector overlay determined by the ISSM investment committee.

A schematic of ISSM's credit process is provided below.

Investment process overview

Time-tested investment process

Differentiated credit risk assessment process and actively managed portfolios is supported by proprietary analytical tools to achieve alpha generation.



Source: Invesco. For illustrative purposes only.

Fundamental Credit Analysis

The team feels strongly that fundamental credit research and issuer selection are essential to producing favorable investment performance. The team is highly selective and has historically declined on average greater than 65%+ of the issuers that come to the broadly syndicated loan market due to a lack of comfort with the underlying credit quality of an issuer and/or a belief that investors are not being adequately compensated for the underlying risks.

Fundamental, bottom-up credit analysis at both the issuer and issue levels serves as the basis of security selection decisions. For each investment opportunity, the credit analyst, working in conjunction with a team leader, undertakes a comprehensive due diligence review of the issuer, management team, financial sponsor (if applicable), and industry in which it competes. The due diligence includes in-depth meetings with the issuer's management teams and with the arrangers, as well as discussions with third party industry experts. As one of the largest senior loan managers, ISSM often benefits from one-on-one access to issuer management teams, which is not afforded to most investment managers. The direct access to management allows the team to engage in detailed discussions of the company and the industry, which provides ISSM a distinct advantage in assessing credit risk.

The diligence culminates in the distribution of a formal/systemized credit memorandum, which is presented to and discussed with the ISSM investment committee. The memorandum includes an investment thesis, detailed cash flow models (company-case, ISSM's base-case, and ISSM's downside/breakeven-case scenarios), credit and relative value comparable company analyses, and structural terms of the broadly syndicated loan. The analysis concludes with an investment recommendation including an internal risk rating derived from the analyst's view of the issuer's probability of default and the issue's estimated recovery ratings.

Internal Risk Rating and RBS Analysis

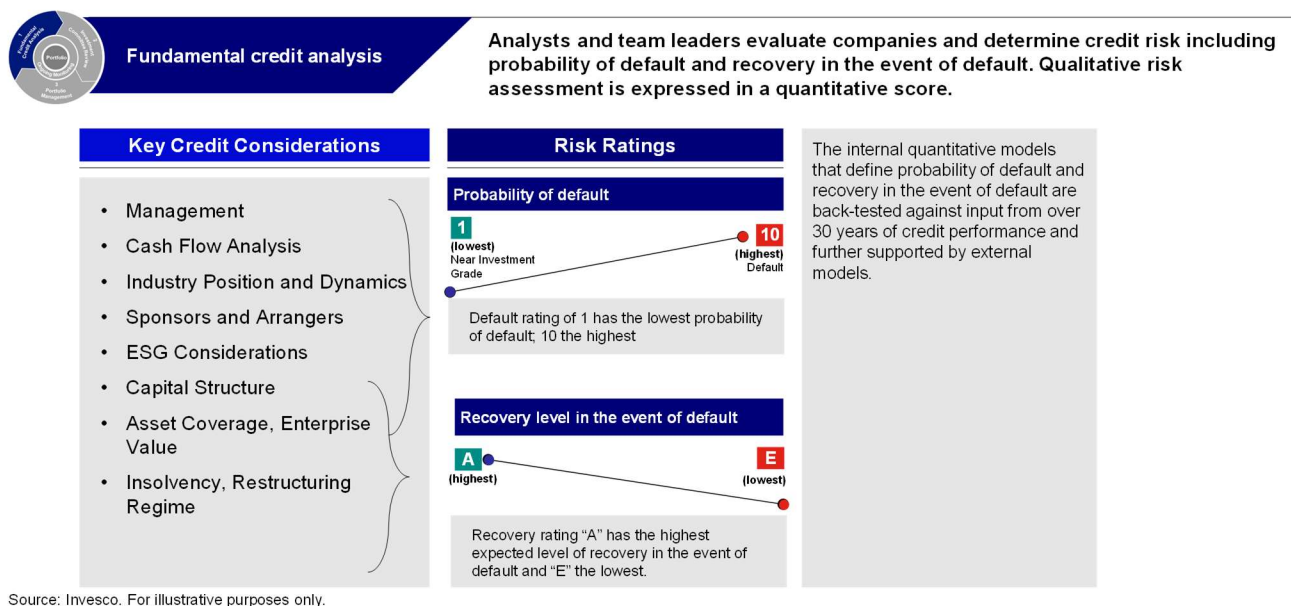
The team's detailed fundamental credit analysis results in an internal risk rating recommendation. The internal risk rating includes a probability of default rating ("PD Rating") for each issuer and a recovery rating on each individual issue. The PD Rating is based on the issuer's ability to manage its debt load given the cash flow characteristics of the business and the underlying cyclicity of its industry. The analysts develop detailed cash flow projection models for each issuer, which include downside scenarios that could lead to default. These scenarios are compared to historical financial results in periods of cyclical weakness to estimate the probability that an issuer will default in the future. This analysis is augmented by a quantitative tool used to estimate the PD Rating given the issuer's proposed debt load, the issuer's enterprise value, and the industry's inherent volatility (as measured by beta). This ISSM-developed tool is based on an option pricing model framework, and when used in conjunction with the detailed cash flow projections, assists in refining the PD Rating.

A detailed analysis of the asset base or collateral supporting each issue is undertaken to estimate the recovery rating in the event of default. The analyst models the estimated net enterprise value of the issuer in a default, factoring in administrative expenses and other creditor claims. The net enterprise value is compared to the estimated broadly syndicated loan amount at the time of default to arrive at a recovery rating. The recovery rating analysis is also augmented by an option pricing based model to estimate a recovery rating in the event of default. ISSM's internal risk ratings are a critical component of its portfolio management process, and the analysts continuously update the risk ratings when new information is received.

Internal risk ratings are the foundation for ISSM's proprietary risk adjusted return analysis, which is termed the RBS Analysis. The RBS Analysis provides a consistent measure of risk-adjusted return across the entire investment universe. In addition to the spread required to compensate investors for expected credit losses (driven by the probability of default and expected recovery ratings), ISSM requires a premium to account for a calculated asset volatility to arrive at the RBS. The team compares the spread being offered in the market to the RBS to determine the appropriateness of each investment. The difference between the market spread and the RBS is the RBS Premium. The team is able to identify relative value buy/sell opportunities across all broadly syndicated loans in the market by rank ordering investments by RBS Premium.

Internal Risk Rating Framework Illustration

Investment process: fundamental credit analysis



The analyst (with the assistance of their Team Leader) will prepare and present a memorandum addressing the Key Credit Considerations described above. This memorandum will also include supporting analysis, including detailed cash flow models (which will include private side management-case, ISSM’s base-case, and ISSM’s downside/breakeven-case scenarios), credit and relative value comparable, the analyst’s recommended internal probability of default and recovery ratings, as well as a legal diligence review. All of these factors lead to an assessment of the Rock Bottom Spread Premium, and guides the analyst’s investment recommendation to the ISSM investment committee. Investment opportunities that are declined before presentation to the ISSM investment committee undergo a similar assessment. The analyst will circulate to the ISSM investment committee an abbreviated memorandum outlining the investment opportunity and rationale for the decline.

ISSM Investment Committee

ISSM employs one of the largest, most experienced, private side senior loan teams in the global marketplace — a team that is dedicated to the senior loan asset class and has successfully navigated multiple credit cycles. As of March 31, 2023, ISSM’s senior loan team is comprised of 52 investment professionals, including 38 credit analysts (5 team leaders plus 33 credit professionals). The team has a six-member investment committee which members are the most senior investment professionals in the group; on average, they have over 28 years of investment experience and 20 years tenure at the firm. The Investment Committee has responsibility for approving every broadly syndicated loan position across the complex, determining relative position hold levels by fund strategy, and setting the strategy and direction for each fund.

Distressed Credit

Sourcing Model

We believe our ability to leverage our Credit Platform enables us to consistently and proactively source attractive investment opportunities. Historically, over 90% of ICP's investments had a sourcing or diligence connection to the Bank Loan Group. Furthermore, in our experience, given the platform's scale (over \$38 billion), active portfolio of over 800 names and proprietary credit library of more than 2,000 companies, we are able to identify these actionable opportunities well in advance of our competition. Importantly, the Bank Loan Group's frequent one-on-one touch points with company management and access to private financial reporting enable us to obtain up-to-date information, many times on a monthly basis. We believe this level of information access is a key differentiator, allowing us to also evaluate the performance trajectory of potential investment opportunities well before our competitors.

Additionally, members of the ICP investment team have built extensive relationships over the last two decades throughout the small capitalization advisory community. This network includes a deep bench of company-specific contacts (e.g., CEOs, CFOs and financial sponsors), restructuring advisers, operational turnaround advisers, financial advisers, bank workout officers, investment bankers, and the sell-side community. Important to note is that these small capitalization contacts are separate and distinct from the large capitalization, regular-way advisory community at large, and are very difficult to replicate.

Due Diligence Process

We characterize our due diligence process as a private equity-style approach, typically investing in industries we know well and where we have had a successful track record. We target companies where our Credit Platform can provide us with a competitive advantage either through prior or current private knowledge and experience with the company or connectivity with the business through investments in customers, suppliers and competitors. We do not perform desktop analysis, rather we meet with management teams, shareholders (typically private equity sponsors), and conduct multiple channel checks with customers, suppliers and competitors prior to investment. We are focused on the key value drivers of each investment opportunity, understanding a company's unit economics, confirming the sustainability of its margin structure, and the business' return on invested capital. We isolate the cause of distress upfront, and develop operational and strategic plans well in advance of taking control. Throughout this process, we develop a 360-degree view of the company, its risks and opportunities, mitigants to those risks, and build out extensive base and downside case business plans.

Within our due diligence process, the investment team also seeks to develop a comprehensive understanding of a potential investment company's intrinsic value. To do so, we focus on several key factors including a company's:

- Identification of key value drivers and their sustainability
- A company's ability to generate a significant return on invested capital

- Strategic positioning, operational processes as well as its relative positioning within an industry
- Cyclical and structural industry dynamics and how they may change over time
- Management teams' past performance including during challenging situations
- Asset values and potential liquidation scenarios
- Free cash flow generation and capital expenditures
- Substantial barrier to entry
- Product or service offerings suites, customer switching costs, and value propositions
- Profitability and margin sustainability
- Pro forma performance in upside, and importantly, downside operating cases – the latter using recession modelling

Importantly, while we are mindful of valuation relative to publicly-traded and precedent transactions, we focus primarily on fundamental value rather than relative value. We believe this process allows us to invest at a significant discount to a company's intrinsic value while seeking downside protection.

We also leverage the Bank Loan Group to evaluate investment opportunities, benefitting significantly from access to its leading sector-based team of 20+ professionals. In our experience, having such sector expertise in the small capitalization space is a meaningful competitive advantage when sourcing and underwriting opportunities. Additionally, the Bank Loan group maintains a proprietary credit library of more than 2,000 companies and manages an active portfolio of over 800 names. The ICP investment team has complete access to the Bank Loan Group's detailed analysis, proprietary write-ups, regular one-on-one touch points company management teams and industry contacts. Frequently, we evaluate potential investments where the Bank Loan Group is or has invested in customers, suppliers, and competitors of the business we are reviewing. Ultimately, we believe this repository of private information and access to management teams and private equity owners provides us with a significant information and diligence advantage and allows us to perform diligence on a potential investment quickly and efficiently.

Finally, we also conduct a detailed review of structural considerations and pertinent legal documentation as an important component of the due diligence process. Documents include credit agreements, inter-creditor agreements, and indentures detail important contractual rights among and between the creditors and the company. This analysis is particularly important when evaluating small capitalization companies where legal documentation is typically highly customized rather than following a well-accepted template. To perform such analysis, our investment professionals are supported by a global, in-house team of legal resources in both the United States and Europe. Additionally, we augment our in-house legal review with outside counsel when necessary.

Investment Committee

ICP investment decisions are overseen by a formal investment committee that meets on a weekly basis. The primary responsibilities of the investment committee include screening initial investment ideas, reviewing diligence updates, approving the purchase and sale of all portfolio investments, and ongoing monitoring of individual investment progress. Investment committee decisions are made by majority vote.

Each new investment idea undergoes a strict vetting process that begins with a short-form screening memorandum that is presented to the investment committee. The screening memorandum is designed to clearly articulate the key value drivers specific to an individual target company and the core issues causing distress. The committee is focused not only on whether the key issues have been identified, but also whether the diligence process has a specific, actionable timeline with a high probability of yielding answers whether they be positive or negative. Once convinced that a credible diligence plan is in place, the committee approves the investment idea to progress beyond the initial screening phase to full diligence.

The due diligence process itself generally takes several weeks to several months, during which the investment committee receives regular updates. This stage of the process is meant to update committee members on the team's progress as well as to ensure that pertinent information is brought to the committee on a timely basis. To the extent negative information around an investment opportunity comes to light, committee members can opine real-time as to whether further diligence should be conducted, the type and focus of such research, or whether diligence should cease given the nature of the information.

The final stage of the investment process culminates in a detailed investment committee memorandum that incorporates the entirety of the investment team's thesis, industry and company overviews, risk and return analysis, historical and projected financial and operating analysis, as well as legal diligence findings. The investment committee utilizes this memorandum to formally approve an investment.

Post investment, the ICP investment team updates the investment committee on a regular cadence regarding the status of existing investments. These updates incorporate ongoing monitoring including dialogue with company management, monthly financials, field checks with industry experts outside the company, and regular re-underwriting of the original investment thesis. As of September 30, 2022, we have reviewed 2,000+ target opportunities, presented 100+ screening memos to the investment committee, and made 54 company investments.

VII. Organization and Team

INVESTMENT TEAM

Paul Triggiani, Head of Distressed Credit and Special Situations, Managing Director

Paul is a Managing Director and Head of Distressed Credit and Special Situations at Invesco. In this role, he is focused on credit opportunities, distressed debt and special situations investments.

Prior to joining the firm, Paul was a managing director of H.I.G. Bayside Capital, where he focused on control and non-control distressed debt and credit opportunities. Prior to Bayside, he was a managing director of Strategic Value Partners with responsibility for distressed and special situations investments in general industrials, oil and gas, building products, homebuilding, infrastructure, gaming and financials. While at Strategic Value Partners, Paul was co-head of US corporate investments and was a member of the investment committee, which approved distressed-for-control and private equity investments. Prior to Strategic Value Partners, he was a partner at Heartland Industrial Partners LP, a leveraged buyout firm focused on industrial companies. Paul began his career at Goldman, Sachs & Co. as an investment banker in the corporate finance and real estate departments.

Paul earned a BA degree in English literature from Northwestern University and an MBA degree from the J.L. Kellogg Graduate School of Management.

Stephen Johnson, Managing Director

Stephen is a Managing Director and a member of the distressed credit investment team. In this role, he is responsible for sourcing, executing and managing special situation and distressed investments.

Stephen joined the organization in 2007. Since then he has predominantly focused on investments in financial institutions in Europe and the United States, including helping banks on various non-performing loan workout strategies. Prior to joining Invesco, Stephen was at Carlyle Management Group, a distressed private equity fund, and at Wellspring Capital Management. Prior to Wellspring, he worked at McCown De Leeuw & Co, a private equity firm. Stephen began his career at Bear, Stearns & Co. Inc., in the Global Industrials Investment Banking Group.

Stephen earned a BS degree in Finance and minor in Economics from the Marshall School at the University of Southern California.

Matthew Brooks, Managing Director

Matt is a Managing Director and member of the distressed credit investment team. In this role, he is responsible for sourcing, analyzing and executing distressed investment opportunities.

Matt joined the organization in 2013 to focus on special situations and distressed private equity. Previously, he was a member of the investment team for Barclays Private Credit Partners, a private

credit opportunity fund. While at Barclays, Matt was responsible for evaluating and executing private credit investments in middle market sponsor-backed companies within the health care, industrials, services, software and retail sectors. Prior to joining Barclays Private Credit Partners, Matt worked as an investment banker at Evercore Partners in the restructuring group, where he advised on both in- and out-of-court restructurings. Matt began his career at UBS Investment Bank as an investment banker in the leveraged finance group.

Matt earned a BA degree in economics and finance from McGill University.

Peter Niehaus, Principal

Peter is a member of the investment team for Invesco Distressed Credit & Special Situations. In this role, he will be responsible for sourcing, analyzing and executing distressed investment opportunities.

Peter joined Invesco in 2017. Prior to Invesco, he was an Associate at The Carlyle Group where he worked in the Executive Group and the Carlyle Equity Opportunity Fund. While at Carlyle, Peter was responsible for evaluating and executing middle-market private equity investments as well as helping Carlyle senior management evaluate firm-wide investment opportunities and formulate firm strategy. Prior to Carlyle, Peter worked at Barclays in the Global Natural Resources and Mergers & Acquisitions investment banking groups. He has been in the industry since 2010.

Peter earned his BA in History from Princeton University and his MBA from Harvard Business School.

Vikram Menon, Vice President

Vikram is a member of the investment team for Invesco Distressed Credit & Special Situations. In this role, he will be responsible for sourcing, analyzing and executing distressed investment opportunities.

Vikram joined Invesco in 2019. Prior to Invesco, he was an Associate at Oaktree Capital Management where he worked in the Mezzanine Fund. While at Oaktree, Vikram focused on investment opportunities in North American middle market companies. Prior to Oaktree, Vikram worked at BNP Paribas in the Merchant Banking Group. He has been in the industry since 2013.

Vikram earned his BS in Finance and Marketing from New York University's Stern School and his MBA from Columbia Business School.

Arth Patel, Vice President

Arth is a member of the investment team for Invesco Distressed Credit & Special Situations. In this role, he is responsible for analyzing and executing distressed investment opportunities.

Arth joined Invesco in 2017. Prior to joining Invesco, he was an Analyst in the restructuring group of Evercore Partners. He has been in the industry since 2016.

Arth earned his BA in Business Administration at the University of Western Ontario.

Mark Turi, Associate

Mark is a member of the investment team for Invesco Distressed Credit & Special Situations. In this role, he is responsible for analyzing distressed investment opportunities.

Mark joined Invesco in 2020. Prior to joining Invesco, he was an Analyst in the restructuring group at Rothschild & Co. He has been in the industry since 2018.

Mark earned his BS in Finance with a minor in Business Law at Tulane University.

Anthony Tu, Associate

Anthony is a member of the investment team for Invesco Distressed Credit & Special Situations. In this role, he is responsible for analyzing distressed investment opportunities.

Anthony joined Invesco in 2021. Prior to joining Invesco, he was an Analyst in the restructuring groups at Ducera Partners and Houlihan Lokey. He has been in the industry since 2019.

Anthony earned his BSBA in Business Administration at Washington University.

Bryan Chen, Associate

Bryan is a member of the investment team for Invesco Distressed Credit & Special Situations. In this role, he is responsible for sourcing, analyzing and executing distressed investment opportunities.

Bryan joined Invesco in 2022. Prior to Invesco, he was an analyst in Houlihan Lokey's real estate, lodging & leisure group, which specializes in restructuring, M&A advisory, and other strategic advisory assignments for various real estate and leisure-related companies. Before joining Houlihan, Bryan was a member of the Republic of China (Taiwan) armed forces, where his battalion specialized in firearms management and maintenance. He has been in the industry since 2021.

Bryan earned his BS in Finance from New York University in the Stern School of Business.

Niklas Floersch, Associate

Niklas is a member of the investment team for Invesco Distressed Credit & Special Situations. In this role, he is responsible for sourcing, analyzing and executing distressed investment opportunities.

Niklas joined Invesco in 2023. Prior to Invesco, he was an analyst in Rothschild's debt advisory and restructuring team, where he worked on leveraged finance and restructuring transactions in the DACH region. Before that, Niklas was a member of StepStone Group's private debt team. He has been in the industry since 2021.

Niklas earned his BSs in Business Administration from Frankfurt School of Finance and Management and his MSc in Political Economy from the London School of Economics.

INVESTMENT TEAM – BROADLY SYNDICATED LOANS

Scott Baskind, Head of Global Senior Loans/Chief Investment Officer

Scott is Head of Global Private Credit and Chief Investment Officer of Invesco's global private credit platform, which includes broadly syndicated loans, CLOs, direct lending, distressed credit, and opportunistic credit. Scott is the head of the Investment Committees across the platform and serves as a senior portfolio manager for several portfolios.

Scott joined Invesco Senior Secured Management, Inc. in 1999 as a credit analyst and has taken on progressively more senior roles including his current position in 2014. During his tenure at Invesco, Scott has served as a portfolio manager, head of loan trading, and co-CIO.

Scott began his career as a financial analyst at the Bureau of Fiscal Management, City of New York. His senior loan career dates back to the mid-1990s as a commercial lending analyst with NatWest Markets and later as an associate in the Leveraged Finance and Private Equity Group of Gleacher NatWest.

Scott currently serves as Vice Chairman and Secretary, formerly Treasurer, on the board of directors of the Loan Syndications and Trading Association (LSTA). Scott earned a BS in business administration, with majors in finance and management information systems, from the University at Albany, State University of New York.

Kevin Egan, CPA, Senior Portfolio Manager/Co-Head of Credit Research

Kevin Egan is a Senior Portfolio Manager and Co-Head of Credit Research in Invesco's global senior loan group and a member of the ISSM investment committee. He is responsible for credit research and portfolio management, with a focus on institutional funds.

Mr. Egan joined the organization in 1998. Prior to his current role, Mr. Egan was an executive director and co-head of the senior loan group at Morgan Stanley. He has more than 30 years of investment industry experience. Previously, Mr. Egan worked at the Industrial Bank of Japan in roles including vice president and senior credit officer. Prior to that, Mr. Egan was a senior auditor with KPMG.

He received a BSBA in accounting from Georgetown University and an MBA in finance from the Wharton School of the University of Pennsylvania. He is a Certified Public Accountant.

TRADING

Seth Misshula, Head of US Trading & Portfolio Manager

Seth is the Head of US Trading and a Portfolio Manager in Invesco's global private credit group and a member of the Investment Committee. He is responsible for portfolio management as well as the private credit group's trading operations in the US.

Seth joined Invesco Senior Secured Management, Inc. in 2005 as a junior portfolio analyst. Over the years his responsibilities grew to include portfolio management and trading and he joined the Investment Committee in 2022. Seth entered the financial services industry in 2004 and began his career with Sanford C. Bernstein & Co as an associate portfolio analyst.

Seth earned a BS in business administration from Washington University. He is a CFA charterholder.

Nuno Caetano, Head of European Trading & Portfolio Manager European CLOs

Nuno is Head of European Trading and a Portfolio Manager for European collateralized loan obligations (CLO) in Invesco's global private credit group. He is responsible for portfolio management, with a focus on the European CLO platform, as well as the private credit group's trading operations in Europe.

Nuno joined the organization in 2006. Prior to his current role, Nuno was a vice president and portfolio manager in the senior loan group at Morgan Stanley. Before that, he was vice president in the leveraged finance portfolio group at Citigroup. While at Citigroup, Nuno also held positions as a senior associate in the European deal structuring and origination team, an associate banker in the firm's global banking franchise and a warrants trader in its corporate and investment bank.

He received a BS degree in business administration and an MSc in corporate finance from Universidade Catolica Portuguesa. He is a CFA charterholder.

CLIENT SERVICES AND OPERATIONS

Benjamin G. Gruder, Chief Administrative Officer

Benjamin G. Gruder is the Chief Administrative Officer of Invesco Credit Partners. Mr. Gruder has ultimate responsibility for Invesco Credit Partners administrative functions and for driving the execution of the groups operational objectives.

Mr. Gruder is also heavily involved in the product development function where he takes a lead role in the structuring of product offerings.

Prior to joining the group, Mr. Gruder was the Assistant General Counsel to Invesco Advisers, Inc., where he led and was responsible for providing overall legal support to the alternative asset groups at Invesco. He began his career in 1999 as a Corporate Associate at the law firm of Rosenman & Colin

LLP (now Katten LLP), specializing in private capital transactions, mergers and acquisitions, corporate finance, US securities laws and investment management.

He earned a JD from Brooklyn Law School in 1999, Magna Cum Laude, and is a member of the New York State Bar. He earned a BS degree from the University of Maryland.

Jeff Reemer, Senior Client Portfolio Manager

Jeff Reemer is a Senior Client Portfolio Manager for Invesco's global senior loan group. He is responsible for the ongoing product development, structuring, and marketing of investment funds for senior loans and alternative credit products as well as for developing business opportunities in nontraditional areas of bank loans and private debt.

Mr. Reemer joined Invesco Senior Secured Management, Inc. in 2009 as a senior credit analyst. In 2012, he transitioned to a client portfolio manager role and was promoted to Managing Director in 2017. Previously, Mr. Reemer worked as an investment banking analyst in Credit Suisse's strategic finance group, advising investment banking clients on how strategic corporate decisions would impact share price and would likely be analyzed and valued by institutional investors. Mr. Reemer was promoted to associate in Credit Suisse's leveraged finance origination & restructuring group where he evaluated, structured, and executed financings including high yield bonds and term loans in the context of leveraged buyouts, recapitalizations, restructurings, and acquisitions across a wide range of industries. He began his career at Bedford Oak Advisors LLC, a long-short equity hedge fund, in 2003.

Mr. Reemer earned a BSBA in finance and accounting from Washington University in St. Louis. He is a CFA charterholder, and he holds the FINRA Series 7, 63, and 79 registrations.

Raman Rajagopal, Client Portfolio Manager

Raman Rajagopal is a Client Portfolio Manager for the Credit Platform, which includes capabilities across broadly syndicated loans, CLOs, direct lending, and distressed credit.

Mr. Rajagopal joined Invesco in 2016. At Invesco, he has held roles focusing on private markets asset classes as well as in corporate strategy. Prior to joining the firm, he was a management consultant with Accenture, where he concentrated on wealth and asset management companies. Prior to Accenture, he worked in asset management roles with Oppenheimer & Co. and Morgan Stanley. He began his career as a corporate attorney with Paul Hastings LLP, where he focused on mergers and acquisitions.

Mr. Rajagopal earned a BS degree with university honors from Carnegie Mellon University and a JD from the University of Southern California Law School.

Samuel Groban, Senior Product Director

Samuel Groban is a Senior Product Director for Invesco's Private Credit Platform, which includes capabilities across broadly syndicated loans, CLOs, direct lending, and distressed credit.

Prior to joining the Private Credit Platform in 2022, Mr. Groban served in senior product roles at Invesco (and previously OppenheimerFunds) responsible for developing and executing product and business development strategy for the firm's Global Debt, Senior Loan and Investment Grade investment platforms. Prior to joining firm in 2009, Mr. Groban served as a portfolio manager at Bear Stearns Asset Management where he managed investment grade fixed income portfolios for U.S. institutions and led his team's investor relations efforts. Previously, he was a junior portfolio manager at AllianceBernstein, where he assisted senior portfolio management in managing corporate bond portfolios for insurance accounts.

Mr. Groban earned his BA from the University of Michigan and his MBA from Fordham University's Gabelli School of Business. He is a CFA charterholder.

LEGAL

Antonio Reina, Associate General Counsel

Antonio Reina, is Associate General Counsel for Invesco, where he provides legal support for all aspects of Invesco's bank loan and private equity businesses. Mr. Reina works closely with Invesco Senior Secured Management, Inc.'s investment teams and their product management, finance and operations group in the structuring of transactions and private funds.

Mr. Reina joined Invesco in November 2013 and was responsible for providing legal support to Invesco's Private Markets business, which included Invesco Senior Secured Management, Inc., WL Ross & Co. LLC and Invesco Private Capital, Inc.

He began his career in 2003 as an attorney covering the hedge fund and fund of hedge fund groups in Deutsch Banks' Asset Management business. He holds a J.D. from the Rutgers School of Law.

Stephen Sullivan, Associate General Counsel

Stephen is Associate General Counsel for Invesco, specializing in private markets. In this role, he is responsible for providing legal support to all aspects of Invesco Senior Secured Management, Inc.'s business.

Prior to joining the Invesco in 2021, Stephen served as Legal Counsel at Cambridge Associates, LLC, advising their discretionary asset management teams on private market investments and structures. Prior to joining Cambridge Associates, Stephen was an investment management associate at Morgan, Lewis & Bockius, LLP, focusing on advising private funds, their sponsors, and investors. Prior to that,

Stephen was an investment management associate at K&L Gates, LLP, where he advised registered investment advisers, broker-dealers, and investors on private fund matters and securities regulation.

Stephen earned a BA degree in History, Theology, and Political Science from Boston College and a JD from the Boston College Law School.

Emma Norman, Senior Legal Counsel

Emma is a Senior Legal Counsel for Invesco, specializing in private credit and fixed income. She is responsible for providing investments legal and regulatory support to Invesco Senior Secured Management, Inc.'s business in EMEA. She also represents the private credit business on the European ELFA and LMA trade bodies.

Prior to joining the Invesco in 2018, Emma was a Senior Associate at Freshfields Bruckhaus Deringer LLP, focusing on advising creditors and debtors in relation to restructurings, insolvencies and special situations.

Emma earned an LLB in Law with French from the London School of Economics and Political Sciences.

The foregoing list of individuals may not be a complete list and is subject to change, at any time, and no assurance can be given that such individuals will remain in their current positions or retain their current functions with regard to Firm or the Fund.

VIII. Principal Terms of the Fund

The Amended and Restated Exempted Limited Partnership Agreement (the “Partnership Agreement”) of Invesco Credit Partners Opportunities Fund 2023, L.P. (collectively with any Feeder Funds (as defined below), Parallel Funds (as defined below) and Alternative Investment Vehicles (as defined below) thereof, the “Fund”) and the related Investment Advisory Agreement of the Fund (the “Investment Advisory Agreement”) and Subscription Agreement of the Fund (the “Subscription Agreement” and collectively, with the Agreement and the Investment Advisory Agreement, the “Agreements”) will be furnished to each prospective investor upon request. The following statements, together with statements elsewhere in this Memorandum, summarize certain provisions of the Agreements and are qualified in their entirety by reference to the Agreements. The Agreements should be reviewed carefully by prospective investors prior to their execution and delivery.

The Fund

The interests offered hereunder are exempted limited partnership interests of the Fund (the “Interests”), which is a Cayman Islands exempted limited partnership. The Fund is conducting a private offering of its Interests to eligible investors. Investors that acquire Interests are referred to herein as “Limited Partners” and together with the General Partner (as defined below), the “Partners.”

The General Partner intends to hedge the U.S. dollar exposure of 50% of the Interests to changes in the Australian Dollar (“AUD”) using forward foreign exchange contracts or other instruments to reduce exposure to currency fluctuations (the “Hedging Program”). There can be no guarantee that the Hedging Program will be successful. The Fund may be subject to additional risk due to such Hedging Program. (See Section IX “*Certain Risk Factors and Potential Conflicts of Interest — Currency Risk, - Use of Currency Forwards*” for more information).

The Fund will implement its investment strategy by investing in the Investments (as defined below), as described in more detail in “Investment Objective and Strategy” below.

Investment Objective and Strategy

The Fund intends to seek equity-like returns by initially investing in high-quality broadly syndicated loans with the aim to completely transition the Fund’s exposure to distressed assets alongside the Invesco Credit Partners Master Fund III, L.P. (“ICP III”) strategy. Accordingly, after the transition, the Fund will invest primarily in opportunistic distressed credit and special situations investments in small capitalization companies that typically have a total market enterprise value of between \$100 million and \$500 million (the “Post-Transition Strategy”); provided, however that due to certain minimum investment requirements that may be put in place by brokers, transfer agents and other financial intermediaries, the Fund

may from time to time be unable to invest alongside ICP III while implementing the Post-Transition Strategy (See “Section IX – Certain Risk Factors and Potential Conflicts of Interest – E. Potential Conflicts of Interest – Investments Alongside ICP III”). The Fund may also invest in privately structured investments, debtor-in-possession (“DIP”) loans and distressed for control positions and post-reorganization equity (collectively, “Investments”).

There can be no assurance that the Fund’s investment objective will be achieved or that the Fund will not experience losses, which could be substantial. Any investment in the Fund entails a risk of loss.

General Partner	Invesco Credit Partners Associates III, L.P. (the “ <u>General Partner</u> ”), a Delaware limited partnership, is the general partner of the Fund.
Manager	Invesco Senior Secured Management, Inc. (the “ <u>Manager</u> ” or “ <u>ISSM</u> ”), a Delaware corporation, is the investment manager of the Fund. The Fund will pay the Manager an annual management fee (the “ <u>Management Fee</u> ”) pursuant to the Investment Advisory Agreement.
Capital Commitments	The Fund is seeking capital commitments (the “ <u>Commitments</u> ”) from Limited Partners of at least \$100,000,000 in the aggregate. The General Partner reserves the right, in its sole discretion, to accept aggregate Commitments for amounts less than or in excess of the Fund’s target capitalization.
Investor Suitability	The Fund is being offered only to investors who are not “U.S. Persons” (as defined in Regulation S promulgated under the Securities Act).
Investment Restrictions	<p>The Fund, while waiting to implement the Post-Transition Strategy, will invest in broadly syndicated loans. In connection with the Post-Transition Strategy, the Fund will seek to not invest (i) in a single issuer more than 15% of the aggregate Commitments or (ii) in a single industry more than 35% of aggregate Commitments.</p> <p>During the Investment Period (as defined below), if an investment is transitioned from broadly syndicated loans to distressed assets, proceeds from realizations of distressed investments may be reinvested into broadly syndicated loans, stressed or distressed investments, or held in money market assets or other cash funds used by the General Partner pending recycling and reinvestment into distressed assets.</p>

Closing	Commitments may be accepted at the sole discretion of the General Partner at the date of the closing (the " <u>Closing</u> "). The Closing is expected to be held in the second quarter of 2023.
Investment Period and Reinvestment of Capital	It is the intent of the General Partner that all proceeds (except for distributions of interest income, which may be retained at the General Partner's discretion), will be retained and reinvested for a period beginning on the Closing and ending four years and three months from the Closing (such period, the " <u>Investment Period</u> ") Additionally, for the 12-month period following the end of the Investment Period, the Fund may reinvest Investment proceeds in new Investments.
Term	The term of the Fund will expire eight years and three months from the Closing but may be extended for two one-year periods at the sole discretion of the General Partner; <u>provided</u> , that the term of the Fund may be extended in addition to the two one-year periods or terminated sooner at the sole discretion of the General Partner. The Fund is also subject to early termination pursuant to the terms of the Partnership Agreement.
Drawdowns	All Commitments will be drawn down and due ten business days after the Closing.
Fund Leverage	The Fund may borrow money or otherwise incur indebtedness to manage short term liquidity concerns which borrowing may be used for the purpose of making Investments, funding investment activities and optimizing the Fund's cash flow, in an amount up to 25% of the aggregate amount of the Partners' Commitments (measured as of the date such indebtedness is incurred). The Fund may also guarantee obligations of issuers or portfolio companies and their respective subsidiaries, or of alternative investment vehicles and their respective subsidiaries, subject to the Fund's diversification limitations for investment in a single issuer or single industry (see " <i>Investment Restrictions</i> " above). The use of leverage may also result in the incurrence of "unrelated business taxable income" (" <u>UBTI</u> ") within the meaning of Sections 512 and 514 of the Internal Revenue Code of 1986, as amended (the " <u>Code</u> ") by tax-exempt investors (see Section X – " <i>Certain Legal and Tax Considerations - Certain U. S. Federal Income Tax Considerations - Tax-Exempt U.S. Investors</i> ").
Co-investment Opportunities	The General Partner may, at its option, provide co-investment opportunities to one or more Limited Partners (or their affiliates) or third parties. As a pre-condition to the offering of such co-investment opportunity to one or more Limited Partners, the General Partner may require such Limited Partners to enter into such

agreements or other undertakings as the General Partner determines are necessary or desirable in light of such co-investment opportunity. The General Partner may charge management fees and/or carried interest to any entity formed to effect such co-investment opportunity.

Distributions

The Fund anticipates that proceeds and all other available distributable amounts (other than (i) amounts reinvested as described in “*Investment Period and Reinvestment of Capital*” above and (ii) gains and losses from the Hedging Program) will be distributed at least quarterly to the Limited Partners.

Distributions will be made in accordance with the following order and priority:

- (i) First, 100% to each Limited Partner, until it has received pursuant to this clause (i) an aggregate amount equal to its contributed capital (“Total Contributions”);
- (ii) Second, 100% to each Limited Partner, until it has received an aggregate amount equal to a preferred return rate of 5% per annum compounded annually (the “Preferred Return”) on its Total Contributions;
- (iii) Third, 100% to the General Partner until cumulative distributions made to the General Partner pursuant to this clause (iii) with respect to each Limited Partner are equal to the Carry Percentage (as defined below) multiplied by the sum of (a) all distributions made to each Limited Partner pursuant to clause (ii) above and (b) all distributions to the General Partner with respect to each Limited Partner pursuant to this clause (iii); and
- (iv) Thereafter, (a) the Carry Percentage with respect to each Limited Partner of remaining cumulative distributions to the General Partner and (b) the remainder to each Limited Partner.

The distributions to the General Partner described in clause (iii) and (iv)(a) above are referred to collectively as the “Carried Interest.” The “Carry Percentage” with respect to Limited Partner Commitments, shall be 17.5%.

The General Partner may also cause the Fund to make distributions from time to time to the General Partner in amounts sufficient to permit the payment of its and its direct and indirect owners’ tax obligations related to the Carried Interest in respect of any year, if such tax obligations exceed the amount of Carried Interest

distributed to the General Partner during such year ("Tax Distributions"). Subsequent distributions of Carried Interest may be reduced by the amount of any Tax Distributions.

Each year, the Fund shall calculate each Limited Partner's share of net profit of the Fund for the current fiscal year of the Fund and through June 30th, less any prior distributions to such Limited Partner during the current fiscal year and through June 30th (the "LP Net Undistributed Profits"). The Fund shall deem to have paid an amount equal to the LP Net Undistributed Profits to have been distributed to, and then immediately recontributed by, such Limited Partner, effective as of June 30th. Notwithstanding the foregoing, for purposes of the calculation of the carried interest, the deemed distributions/recontributions pursuant to this paragraph shall not be taken into account and shall be treated as having not been distributed and recontributed.

**General Partner
Clawback**

Upon termination of the Fund and the liquidation of its remaining assets, the General Partner will be required to restore funds to the Fund if and to the extent that the General Partner has received, with respect to any Limited Partner, Carried Interest distributions with respect to such Limited Partner that exceeds the amount the General Partner would have received if all distributions by the Fund were made at the time of liquidation of the Fund in accordance with the formula set forth under "*Distributions*" above but calculating a Limited Partner's entitlement to preferred return on the basis of the timing of actual distributions. In no event, however, will the General Partner be required to return more than the cumulative distributions of Carried Interest received by the General Partner, net of certain assumed tax amounts.

**Limited Partner
Giveback**

The General Partner may require each Limited Partner to return distributions made to such Limited Partner for the purpose of meeting such Limited Partner's *pro rata* share of Fund Expenses (including indemnification obligations and expenses, liabilities and other costs associated with the Hedging Program); provided, however, no Limited Partner will be required to return more than an amount equal to the aggregate amount of distributions received by it. With respect to Invesco Australia Limited as responsible party for Invesco Credit Partners Opportunities Fund 2023 (Australian Unit Trust) (the "Australian Limited Partner"), the recall of distributions pursuant to this paragraph to satisfy a liability or obligation may only be satisfied out of the assets that are attributable to Invesco Credit Partners Opportunities Fund 2023 (Australian Unit Trust) out of

which the Australian Limited Partner represents that it is indemnified. A Limited Partner will be required to return distributions only until the second anniversary of the termination of the Fund, unless the Limited Partner was notified prior to the second anniversary of a potential obligation of the Fund that may require the Limited Partner to return distributions.

Management Fee

The Fund will pay to the Manager an annual Management Fee payable quarterly in arrears beginning with the date of the Closing, equal to the Management Fee Rate (defined below) multiplied by (i) the aggregate amount of investment contributions (together with outstanding borrowings by the Fund related to Investments under any subscription credit facility) less (ii) the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of (only to the extent that, at the date of any such disposition, the aggregate fair market value of all remaining Investments in such issuer is less than the Fund's aggregate investment contributions made with respect to such issuer) or completely written-off for U.S. federal income tax purposes. For the purpose of calculating the Management Fee, investment contributions include investments in broadly syndicated loans, stressed and distressed assets and any money market fund or other cash funds used by the General Partner to hold the Fund's capital while it is waiting on reinvestment. The "Management Fee Rate" will be 0.85% per annum.

The Manager or the General Partner may waive all or any portion of the Management Fee or Carried Interest with respect to a Limited Partner that is affiliated with either the Manager or the General Partner, or both.

Management Fee Offset

The Management Fee will be reduced by an amount equal to 100% of Transaction Fees attributable to Partners not designated as "affiliated partners" by the General Partner which are received on or after the date of the Fund's initial investment. "Transaction Fees" include (i) any directors' fees, financial consulting fees or advisory fees paid to the General Partner with respect to any Investment; (ii) any transaction fees, origination fees, amendment fees, waiver fees and other similar fees paid to the General Partner with respect to any Investment; and (iii) any break-up fees with respect to Fund transactions not completed that are paid to the General Partner, in each case net of certain expenses (including those described below) as set forth in the Partnership Agreement; but not including, in any

event, any amount received by the General Partner or other person from an issuer of an Investment (A) as reimbursement for expenses directly related to such issuer, (B) as payment for services provided to any such issuer in the ordinary course of such issuer's business, (C) as compensation for services provided by the General Partner or other person as an employee of or in a similar capacity for such issuer or (D) as approved by the General Partner, in its sole discretion.

For clarification, origination fees, amendment fees, waiver fees and other similar fees that are paid to the Fund will not constitute Transaction Fees.

Operating Expenses

The Fund will pay all fees, costs, expenses, liabilities and obligations relating to the Fund's and/or its subsidiaries' activities, portfolio companies, business or actual or potential Investments that are not applied to reduce Transaction Fees or reimbursed by a portfolio holding or investment (which reimbursements may be for travel, meal and entertainment expenses and any other expenses incurred in connection with such Investment), including, but not limited to, all fees, costs, expenses, liabilities and obligations attributable to: (a) legal, auditing, consulting, expert network, accounting and administration fees, costs and expenses (including those associated with reports to the Partners, financial statements, tax returns, tax estimates and Schedule K-1s and any other Fund-related reporting and all costs associated with the Fund's administration or filing obligations (including (i) expenses incurred in connection with the payment to a third party administrator for the performance of services including administrative and back-office services and (ii) expenses and costs associated with any software or online data portal used in connection with the maintenance of the Fund's books and with such reporting), information, advisory, filing, printing, communications, marketing and publicity and all other fees, costs and expenses of service providers to the Fund, including accountants, administrators, custodians, attorneys, consultants and other service providers whether retained by the General Partner, Manager or the Fund on behalf of, or in connection with the operations of the Fund or any investment); (b) accounting, data processing, legal, valuation, insurance purchasing, administrative services, market research or other similar services provided by the General Partner and/or its affiliates, at a cost not to exceed the lesser of (x) the cost of performing such services (including employment costs and related overhead expenses allocable thereto including payroll, tax and employment benefits, as reasonably determined by the General Partner based on the time expended by the employees

who render such services) and (y) the amount that would be payable if such services were provided by third parties on an arm's-length basis; (c) any taxes, fees or other governmental charges levied against the Fund or on its income or assets in connection with its business or operations and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund in each case, except to the extent such amounts are (i) allocable to, or subject to indemnification by, a Partner and (ii) actually borne or paid by such Partner; (d) all expenses and costs incurred in connection with compliance with any administrative or applicable regulatory regimes as may be required by applicable laws, rules and regulations, including the Dodd Frank Wall Street Reform and Consumer Protection Act, any applicable Commodity Futures Trading Commission Rules, and any regulatory filings required to be made in respect of the Fund or any Alternative Investment Vehicle (including FATCA, Form PF, and those relating to the Alternative Investment Fund Managers Directive, but excluding Form ADV); (e) custodial fees, commissions, other fees and expenses arising from its operations; (f) expenses and fees incurred in connection with the identification, investigation, structuring, acquiring, holding, organizing, negotiating, consummating, bidding on, financing, refinancing, owning, managing, monitoring, operating, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving and otherwise disposing of, as applicable, the Fund's proposed or actual Investments (including follow-on investments), whether or not consummated (including due diligence in connection therewith), or seeking to do any of the foregoing (including any associated expenses and commissions payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers and consultants in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any transaction or project is consummated and whether or not such activities are successful (including travel and travel-related investment activities (including first-class and black car travel, and on limited occasions, charter travel, along with premium meals, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers), and in certain cases lodging, meal and entertainment expenses); (g) the Management Fee; (h) all fees, costs, expenses, liabilities and obligations relating to investment and disposition opportunities for the Fund not consummated (including legal, accounting, auditing, insurance, travel, consulting, brokerage, finders', financing, appraisal, filing, printing, commitment fees, title, real estate title,

survey, reverse breakup, termination and other fees, expenses and commissions); (i) indebtedness of, or guarantees made by, the Fund, the Manager or the General Partner on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest and fees with respect thereto, or seeking to put in place any such indebtedness or guarantee; (j) commissions, brokerage fees, appraisal, advisory and consulting fees and expenses, including, but not limited to, the cost and expense incurred in connection with obtaining third party valuations and legal fees and expenses or similar charges incurred in connection with the purchase, holding and sale of Investments; (k) all expenses relating to actual or threatened litigation, investigation, mediation or arbitration, including indemnification (including advancement of expenses), settlements or reviews, or other extraordinary events involving the Fund and the amount of any judgments or settlements paid in connection therewith (except for legal expenses related to litigation, investigation, settlements or reviews or other extraordinary events arising from acts or omissions of the General Partner, its agents or employees as to which it has been finally determined that the General Partner, its agents or employees has engaged in conduct causing a "Cause" event); (l) the cost of forming, maintaining and dissolving Alternative Investment Vehicles, including any expense that would be an Operating Expense if incurred in connection with the Fund; (m) expenses incurred for the holding of periodic meetings of the Partners and any other conference or meeting with any Limited Partner(s) and related meal and entertainment expenses, if any; (n) all expenses of liquidating the Fund; (o) financing, insurance (including directors and officers, errors and omissions liability and general partnership liability insurance and other insurance and regulatory premiums and expenses), broker, dealer, finder's, financing commitment fees, real estate title, origination, underwriting (including commissions and discounts), loan administration, loan servicing, investment banker, appraisal costs, printing, custodian, depository, trustee, record keeping, transfer, registration, private placement fees, sales commissions and other similar fees and expenses; (p) placement fees and expenses paid to third parties in connection with the organization and funding of the Fund; (q) defaults by Partners in the payment of any capital contributions; (r) the costs of forming, maintaining and dissolving the Fund, the preparation of the Fund's financial statements, tax returns and investor reports (but excluding any income-based or similar taxes, fees or other governmental charged levied against the Fund); (s) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a Limited Partner; (t) any activities

with respect to protecting the confidential or non-public nature of any information or data; (u) any expenses and costs incurred in connection with a proposed Investment that would have been allocable to co-investors had such proposed transaction or investment been consummated, if the amount allocation to such co-investors is not paid by such parties; (v) distributions to the Partners and other expenses associated with the acquisition, holding and disposition of the Fund's Investments, including extraordinary expenses (including litigation and indemnification costs and expenses, judgments and settlements and fees, costs and expenses of liquidating and winding up the Fund); (w) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the Parallel Fund, the General Partner, the Parallel Fund general partner, the Manager and any alternative investment vehicle of the Fund or the Parallel Fund; (x) any expenses incurred in connection with complying with the provisions in side letter agreements, including "most favored nations" provisions; and (y) all other costs incurred in connection with the administration of the Fund or otherwise that may be authorized by the Partnership Agreement. ("Operating Expenses" and, together with Organizational Expenses (as defined below), "Fund Expenses").

To the extent that any Operating Expenses relate to the operations of the Fund and one or more other funds or accounts managed by the Manager or any of its affiliates (including any co-investment vehicles), the Manager will allocate such expenses in its sole discretion based on a good faith determination of the relative benefits of such expenses to all such funds and accounts benefiting from such expenses, based on the value of each such client's net asset value ("NAV")/assets under management ("AUM") as a percentage of the Manager's total AUM or the relevant aggregate NAV/AUM of the participating clients, or other such methodology as determined by the Operating Officer in conjunction with input by Legal and/or Compliance to be fair and equitable.

Organization and Offering Expenses

The Fund will reimburse the General Partner and/or the Manager for up to \$2 million of the Fund's and its affiliated entities' organizational and startup expenses incurred in the formation of the Fund and the General Partner and the offering of the Interests (as further set forth in the Partnership Agreement), including legal, travel, accounting, filing, marketing, advertising, printing, capital raising, regulatory compliance (including the initial compliance contemplated by AIFMD or any similar law, rule or regulation) any administrative or other filings and other organizational expenses ("Organizational Expenses"). Organizational Expenses in excess of \$2 million and

placement agent fees may be borne by the Fund, and, if borne by the Fund, will be subject to a 100% offset against Management Fees.

Certain Consents

The General Partner may, in its sole discretion, grant any approvals or consents required to be given by the Fund under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”) with respect to the Fund, including without limitation (a) any and all disclosures and approvals required under Section 206(3) thereof, and (b) any consent to a transaction that would result in the “assignment” (within the meaning of the Advisers Act) of the management agreement. Such approval or consent of the General Partner shall constitute all necessary disclosures to and approvals or consents of a client for purposes of the Advisers Act.

Transfer of Interests and Withdrawals

A Limited Partner may not sell, assign or transfer all or any portion of its Interest in the Fund without the prior written consent of the General Partner, which the General Partner may grant or withhold in its sole and absolute discretion. Further, Limited Partners generally may not withdraw from the Fund.

Removal of the General Partner

Upon the occurrence of an event of “Cause” (to be defined to include gross negligence) which is not cured within the applicable time period specified in the Partnership Agreement, a majority in interest of Limited Partners may remove and replace the General Partner, subject to the terms of the Partnership Agreement.

Dissolution of the Fund

Limited Partners representing at least 75% in interest of the Limited Partners may vote at any time to terminate the Fund after the occurrence of an event of “Cause” which is not cured within the applicable time period specified in the Partnership Agreement.

Key Person

If, during the Investment Period there ceases to be at least one Key Person dedicating such time and attention detailed in the Partnership Agreement, the Fund, upon delivery of written notice to the Limited Partners of such occurrence, will automatically enter into suspension mode, during which time the Manager will be permitted to make further Investments only in (i) follow-on investments, (ii) Investments that were in process as of the date on which the Fund entered into the suspension mode and (iii) Investments pursuant to then existing commitments (including existing commitments to make revolving loans) approved by the General Partner’s investment committee. If, within one hundred eighty (180) days after entering the suspension mode, the Manager nominates one or more qualified replacements for the departed Key Person, the suspension mode will end and the Fund will resume its investment activities. The Manager

will have the right at any time to designate an additional Key Person or a qualified replacement who will become a Key Person with notice to the Limited Partners. Currently, the “Key Persons” are Paul Triggiani and Scott Baskind.

Reports

After the end of each fiscal year, the General Partner shall cause an audit of the Fund’s financial statements. The Fund will use commercially reasonable efforts to furnish all Limited Partners with such audited financial statements and a Schedule K-1 within 120 days of the end of each year. In addition, on a quarterly basis, the Fund will use commercially reasonable efforts to furnish each Limited Partner with unaudited financial statements of the Fund within 60 days of the end of each quarter. Due to the expected Closing date, unaudited financial statements will not be distributed with respect to the third quarter of 2023.

Exculpation and Indemnification

None of the General Partner, the Manager, the Partnership Representative (and “designated individual”) their respective officers, directors, partners, agents, stockholders, members, employees and other affiliates, and any other person who serves at the request of the General Partner on behalf of the Fund as an officer, director, partner, employee or agent of any other entity (in each case, an “Indemnitee”) shall be liable to the Fund for any act or omission performed by them on behalf of the Fund or in furtherance of the interest of the Fund or otherwise arising out of or in connection with the Fund and its Investments, unless such act or omission results from the Indemnitee’s actual fraud, willful malfeasance, gross negligence, willful violation of the material provisions of the Partnership Agreement or a knowing violation of any applicable material U.S. federal securities laws, in each case, as determined by a court of competent jurisdiction in a non-appealable determination. The Fund will indemnify and hold harmless each Indemnitee for any loss, damage, liability or expense incurred by such Indemnitee or to which such Indemnitee may be subject by reason of its activities on behalf of the Fund or in furtherance of the interest of the Fund or otherwise arising out of or in connection with the Fund and its Investments, except that this indemnity will not apply to losses arising from any Indemnitee’s actual fraud, willful malfeasance, gross negligence, willful violation of the material provisions of the Partnership Agreement or a knowing violation of any applicable material U.S. federal securities laws, in each case, as determined by a court of competent jurisdiction in a non-appealable determination.

Excuse In the event that (i) the Fund proposes to make an investment which the General Partner determines could result in a violation by any Partner of any law, investment policy or similar constraint, or create a conflict of interest between a Partner (or any of its affiliates) and the Fund, or (ii) the General Partner determines that a Limited Partner’s participation in an investment could have a material adverse effect on the Fund or any Partner, the General Partner may reduce or eliminate the interest of such Partner in such investment and correspondingly increase the interests of other Partners in such investment and/or increase the interest of such Partner in other investments accordingly and correspondingly decrease the interests of other Partners in such investments.

Default Provisions The Partnership Agreement provides that a Limited Partner that defaults in respect of any of its payment obligations under the Partnership Agreement may be subject to certain contractual remedies, including forfeiture of its Interest in the Fund, in addition to remedies available at law.

Alternative Investment Vehicles The General Partner will have the right in connection with any investment to direct the capital contributions of some or all of the Partners through one or more alternative investment vehicles (“Alternative Investment Vehicles”) if, in the sole discretion of the General Partner, the use of such vehicle or vehicles would allow the Fund to accommodate tax, legal, regulatory or similar concerns or would facilitate participation in certain types of Investments. Any alternative investment vehicle will, subject to tax, legal or regulatory considerations, contain terms and conditions substantially similar to those of the Fund to duplicate the economics of the Fund on a pre-tax basis and will be managed by the Manager or an affiliate thereof. The costs associated with any such alternative investment vehicle structure (including any taxes) will be borne by the Limited Partners participating through such structure, and such costs will not reduce the General Partner’s entitlement to Carried Interest distributions.

Parallel Funds In order to facilitate investment by non-U.S. and certain other investors, the General Partner may create one or more parallel investment entities (each, a “Parallel Fund”), the structure of which may differ from that of the Fund but that will invest proportionately in all transactions on substantially the same terms and conditions as the Fund, except as necessary to address tax, regulatory, legal or other considerations. Parallel Funds will be included in all references to the Fund herein as appropriate.

Feeder Funds The General Partner may form and manage one or more entities (“Feeder Funds”) for certain Limited Partners for the purpose of

making all or a portion of their investment in the Fund through such Feeder Funds. For purposes of determining the outcome of an investor vote, as well as for determining the applicability of the Fund's default, excuse, exclusion and similar provisions, the General Partner may in its discretion look through the Feeder Fund to the relevant investor or investors in the Feeder Fund.

Structure of Investments The Fund may invest directly in Investments and may acquire Investments through one or more affiliate companies, partnerships, limited liability companies or other vehicles, and the Fund reserves the right to utilize other investment structures if the utilization of such structures is deemed appropriate by the General Partner.

Amendments The Partnership Agreement or the Investment Advisory Agreement may generally be amended with the consent of the General Partner and a majority in interest of the Limited Partners and investors in any Parallel Fund, except for certain enumerated amendments that may be made in the sole discretion of the General Partner.

Side Letters The Manager or the General Partner may enter into side letters or other agreements (each, a "Side Letter") with individual Limited Partners which have the effect of establishing rights under, or altering or supplementing, the terms of the Partnership Agreement with respect to such Limited Partners. Any rights established, or any terms of the Partnership Agreement altered or supplemented in such Side Letter with a Limited Partner will govern with respect to such Limited Partner notwithstanding any other provision of the Partnership Agreement.

Confidentiality Each Limited Partner will be required to keep confidential any information with respect to the Fund, except as permitted by the General Partner in its sole discretion, subject to certain carveouts set forth in the Partnership Agreement.

ERISA Investors that are "benefit plan investors" (within the meaning of Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA")) are not permitted to invest in the Fund without the prior written consent of the General Partner.

Tax Considerations The Fund intends to be treated for U.S. federal income tax purposes as a partnership and not a "publicly traded partnership" or an association taxable as a corporation. Each prospective investor should carefully review the discussion of certain U.S. federal income tax considerations set out in the "Certain Legal and Tax Considerations" section of this Memorandum and is urged to consult

its own tax and legal advisors as to the consequences of making an investment in the Fund.

Tax-Exempt Limited Partners

The Fund may generate UBTI. Each U.S. tax-exempt investor is urged to consult with its own tax advisor regarding an investment in the Fund.

Non-U.S. Limited Partners

The Fund intends to take the position that it is not treated as engaged in a U.S. trade or business on account of the Fund's Investments in broadly syndicated loans, and in stressed and distressed debt, and associated workout activities, but there can be no guarantee that the IRS will not take a contrary view. Additionally, the Fund may realize income or gain effectively connected with the conduct of a U.S. trade or business ("ECI") in connection with holding interests in entities classified as partnerships for U.S. federal income tax purposes which are themselves generating ECI, or in connection with holding interests treated as "U.S. real property interests" for U.S. federal income tax purposes. Each non-U.S. investor is urged to consult with its own tax advisor regarding an investment in the Fund.

Risk Factors and Potential Conflicts of Interest

An investment in the Fund involves significant risks and potential conflicts of interest, which are described under Section IX - "*Certain Risk Factors and Potential Conflicts of Interest*" in this Memorandum. Each prospective investor should carefully consider and evaluate such risks and conflicts prior to purchasing an interest in the Fund.

Fiscal Year End

December 31st.

Placement Agents

Invesco Distributors, Inc., is an affiliate of the Manager, and will serve as placement agent for the Fund (the "Invesco Placement Agent"). The Invesco Placement Agent is a registered broker-dealer. The Invesco Placement Agent has agreed to offer and sell Interests on a non-exclusive basis. Employees of the Invesco Placement Agent will provide services in offering and selling Interests and these employees will receive incentive compensation or sales credits from the Invesco Placement Agent for providing such services. The General Partner, the Manager, the Invesco Placement Agent and its affiliates may engage one or more other placement agents or brokers to assist in the offering and sale of Interests as permitted under applicable law. The Manager, General Partner or an affiliate thereof will bear (through an offset against the Management Fee or otherwise) any fees payable to the Invesco Placement Agent or any other placement agents or brokers in connection with the Invesco Placement Agent's and such other placement agents' offering and sale of Interests.

Administrator	<p>Bank of New York Mellon will serve as the administrator (the “<u>Administrator</u>”) of the Fund.</p> <p>Pursuant to the services agreement between the Fund and the Administrator (the “<u>Services Agreement</u>”), Administrator is expected to be responsible for, among other things: (i) processing investor contributions and withdrawals and other investor transactions; (ii) maintaining the register of investors of the Fund; (iii) performing certain anti-money laundering procedures on behalf of the Fund; (iv) calculating the net asset value of the Fund; (v) distributing or making available the net asset value of the Fund and account statements to investors; (vi) maintaining the financial books and records of the Fund and such other services as may be specified in the Services Agreement. The Administrator may utilize affiliates to perform certain services. The Administrator receives fees from the Fund based upon the nature and extent of the services performed by the Administrator for the Fund. In connection with the provision of services, the Administrator is entitled to rely upon information provided by various third parties, including pricing vendors, the Manager, custodians, brokers and other financial intermediaries. To the extent that the Administrator relies on information, its liability is limited to the accuracy of its own calculations (subject to the provisions of the Services Agreement) and it is not liable for the accuracy of the underlying information provided to it.</p>
Custodian	The Fund will select a fund custodian to serve as custodian of the Fund.
U.S. Legal Counsel	Ropes & Gray LLP, 1211 Avenue of the Americas, New York, NY 10036-8704.
Cayman Legal Counsel	Appleby (Cayman) Ltd.
Auditors	PricewaterhouseCoopers LLP, 300 Madison Avenue, New York, NY 10017.

IX. Certain Risk Factors and Potential Conflicts of Interest

Potential investors in the Fund should be aware that investing in the Fund involves a high degree of risk. There can be no assurance that the Fund's investment objective will be achieved. The possibility of partial or total loss of capital will exist and investors must be prepared to bear capital losses that may result from investments. In addition, there will be occasions upon which the General Partner or its affiliates may encounter potential conflicts of interest in connection with the activities of the Fund. An investor should only invest in the Fund as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment. The following considerations should be carefully evaluated before making an investment in the Fund. Risks and potential conflicts include, but are not limited to, those set out below.

A. *Risks Related to Fund Management and Operations*

The purchase of Interests involves a number of significant risks relating to investments in limited partnerships generally, and relating to the structure and investment objectives of the Fund in particular.

Lack of Operating History. Each of the General Partner and the Fund is newly formed and has no operating history. Limited Partners must rely upon the ability of the Manager and the General Partner to identify, structure and implement investments consistent with the Fund's investment objectives and policies. The Fund may not have identified any particular investment at its closing and may be unable to find a sufficient number of attractive opportunities to meet its investment objectives or fully invest its committed capital.

While some of the Manager's investment professionals have previously worked with each other in other organizations and/or have had other past business relationships, some of the Manager's investment professionals do not have experience working together as a part of a single, coordinated enterprise as they will in connection with the conduct of the activities of the Manager and the General Partner. Difficulties in working together in such a setting could arise for a variety of reasons, including holding inconsistent views with respect to the attractiveness, valuation, structure, oversight or realization of one or more investments or potential investments of the Fund. Difficulties could also arise for reasons unrelated to the Fund's investment activities. If any of the Manager's investment professionals or other investment and operating professionals associated with the Manager or General Partner experience difficulties in working together, the investment performance of the Fund could be affected in a material and adverse manner. Additionally, there can be no assurance that all of the professionals of the General Partner and the Manager will continue to be associated with the Fund throughout its term. The loss of the services of one or more members of the professional staff of the Manager could have an adverse impact on the Fund's ability to realize its investment objective.

Other Activities of the Key Person. The Key Persons are not required to devote all of their time to the affairs of the Fund and may advise and manage other investments and other credit funds not yet formed. The performance of the Fund could be adversely affected by the other professional commitments of the Key Persons.

No Right to Participate in Management of the Fund; Passive Investments. Limited Partners are precluded from active participation in making investment decisions with respect to the Fund and will have no right or power to take part in the management or control of the Fund and therefore must rely solely on the General Partner and the Manager to conduct the Fund's affairs. Limited Partners will not receive the detailed financial information issued by issuers which is available to the General Partner and the Manager. Accordingly, no person should purchase Interests unless such person is willing to entrust all aspects of the management of the Fund to the General Partner and the Manager.

Past Performance Not Indicative of Future Results. This Memorandum includes certain information regarding the backgrounds of the Manager's investment professionals and others associated with the Manager and the General Partner, including information regarding activities of other firms and organizations with which they have been involved.

Past performance is not necessarily indicative of future results and there can be no assurance that future performance will be comparable to past performance or that targeted investment results will be achieved.

Identifying and participating in attractive investment opportunities and assisting in the building of successful enterprises is difficult. There is no assurance that the Fund's Investments will be profitable and there is a substantial risk that the Fund's losses and expenses will exceed its income and gains. Any return on investment to the Limited Partners will depend upon successful Investments made on behalf of the Fund by the General Partner and the Manager. There generally will be little or no publicly available information regarding the status and prospects of the Investments. Many investment decisions by the General Partner and the Manager will be dependent upon the ability of their respective members and agents to obtain relevant information from non-public sources, and the General Partner and the Manager often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the General Partner's and the Manager's control.

Projections. The Fund will from time to time rely upon projections, forecasts or estimates developed by the Fund or a company in which the Fund is invested or is considering making an investment concerning the company's future performance and cash flow. Projections, forecasts and estimates are forward-looking statements and are based upon certain assumptions. Actual events are difficult to predict and beyond the Fund's control. Actual events may differ from those assumed. Some important factors which could cause actual results to differ materially from those in any forward-looking statements include changes in interest rates and domestic and foreign business, market, financial or legal conditions, among others. Accordingly, there can be no assurance that estimated returns or projections can be realized or that actual returns or results for the Fund or its Investments will not be materially lower than those estimated or targeted therein.

Highly Competitive Market for Investment Opportunities. The activity of identifying, executing and realizing on investments that fall within the asset classes anticipated to be pursued by the Fund is highly competitive and involves a high degree of uncertainty and will be subject to market conditions.

The Fund expects to encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, business development companies, strategic industry acquirers, financial institutions (such as mortgage banks and pension funds), hedge funds and investment funds affiliated with other financial sponsors or institutional investors, private equity and debt investors, credit vehicles and other financial investors investing directly or through affiliates. Further, over the past several years, an ever-increasing number of investment funds have been formed (and many such existing funds have grown in size). Additional funds with similar investment objectives may be formed in the future by other unrelated parties. As a result of recent dislocations in the credit market, other firms and institutions are seeking to capitalize on the perceived opportunities with vehicles, funds and other products that are expected to compete with the Fund for investments. Some of these competitors may have more relevant experience, greater financial resources and more personnel than the General Partner, the Manager and the Fund. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Fund and adversely affecting the terms upon which investments can be made. There can be no assurance that the Fund will be able to identify or consummate investments satisfying its investment criteria or that if such investments are made, that such investments will be realized upon at favorable valuations or that the objectives of the Fund will be achieved. Likewise, there can be no assurance that the Fund will be able to realize profit upon the values of its investments or that it will be able to fully invest its capital. To the extent that the Fund encounters competition for investments, returns to the Limited Partners may decrease.

Risks Relating to Due Diligence of and Conduct at Investments. Before making investments in any particular company, the Fund will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the Fund's reduced control of the functions that are outsourced. In addition, if the Fund is unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding a potential investment, the Fund will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations and/or consumer surveys. The due diligence investigation that the Fund carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in the Fund as being speculative and having a high degree of risk. There can be no assurance that the Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the investment on an ongoing basis or that any risk management procedures implemented by the General Partner will be adequate. In the

event of fraud by any issuer or portfolio company or any of their affiliates, the Fund may suffer a partial or total loss of capital invested in that Investment. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company or the issuer. Such inaccuracy or incompleteness may adversely affect the value of the Fund's Investment. The Fund will rely upon the accuracy and completeness of representations made by issuers and in certain instances their former owners in the due diligence process when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. In addition, conduct occurring at issuers, even activities that occurred prior to the Fund's investment therein, could have an adverse impact on the Fund.

Long-Term Investment. The Fund is intended for long-term investment and for investors who can accept the risks associated with making highly speculative, primarily illiquid investments in privately negotiated transactions. The Investments of the Fund are unlikely to provide current income, which is not an objective of the Fund. It is anticipated there will be a significant period of time (up to four (4) years and six (6) months from the date of the Closing) before the Fund has completed its investment program. Investments may typically take from three (3) to seven (7) years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Transaction structures may not provide liquidity for the Fund's Investment prior to that time. In light of the foregoing, it is likely that no significant return from the disposition of the Fund's Investments will occur for a significant period of time after the closing of the Fund. Certain of the Fund's Investments may not be disposed of in an advantageous manner prior to the date that the Fund will be dissolved, either by expiration of the Fund's term or otherwise. No assurance can be given in any such circumstances that the Fund will have received a return of its invested capital or that the Fund will otherwise be able to exit its Investments by sale or other disposition (at attractive prices or at all). In addition, losses on unsuccessful investments may be realized before realization of gains on successful Investments. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an Investment.

Valuation of Investments. There is expected to be no actively traded market for most of the Fund's Investments. When estimating the fair value of Investments for which no public market valuations exist, the Manager will apply a methodology that, based on its judgment, is appropriate in light of the nature, facts and circumstances of the Investments. Ensuring that Investments are fairly valued is an important focus of the Manager; however, the valuation of such Investments will be difficult, may be based on imperfect information and is subject to inherent uncertainties, and the resulting values may differ from values that would have been determined had a ready market existed for such Investments, from values placed in such Investments by other investors and from prices at which such Investments may ultimately be sold. In addition, third-party pricing information may at times not be available regarding certain of the Fund's assets or, if available, may not be considered reliable. Valuations of the Fund's Investments will nevertheless impact the Manager's track record, the timing of distribution of Carried Interest, and the calculation of Management Fees and therefore, the General Partner has incentives that may not align with the Fund or the Limited Partners.

Handling of Mail. None of the Fund, the General Partner, the Manager or any of its or their directors, officers, employees, advisors or service providers (including the organization which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address.

B. *Risks Related to the Investment Activities of the Fund*

Risks Relating to Bank Loans and Corporate Loans. Bank loans and corporate loans (which the Fund is expected to originate, invest in or otherwise gain exposure to) may not be readily marketable and may be subject to restrictions on resale. In some cases, negotiations involved in disposing of indebtedness may require weeks to complete. Consequently, some indebtedness may be difficult or impossible to dispose of readily at what Manager believes to be a fair price. In addition, bank loans and corporate loans are often less liquid than other types of debt securities, particularly in times of significant market dislocation. Small and medium-size enterprise loans and similar loans may involve certain heightened risks.

Holders of bank loans, corporate loans and other forms of direct indebtedness depend primarily upon the creditworthiness of the corporate or other borrower for payment of principal and interest. If the Fund does not receive scheduled interest or principal payments on such indebtedness, the value of the Fund's investments could be adversely affected. The Fund is expected to invest in secured and unsecured bank loans and corporate loans. Bank loans and corporate loans that are fully secured may offer the Fund more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of any collateral from a secured bank loan or corporate loan would satisfy the borrower's obligation, or that such collateral could be liquidated. In the event of the bankruptcy of a borrower, the Fund could experience delays or limitations in its ability to realize the benefits of any collateral securing a loan and could be compelled to accept new instruments or interests in respect of its claims under the bank loan in a plan of reorganization. These new instruments or interests may be on terms different from prevailing market terms for similar instruments and interests.

Bank loans usually require, in addition to scheduled payments of interest and principal, the prepayment of the bank loan from free cash flow. The degree to which borrowers prepay bank loans, whether as a contractual requirement or at their election, may be affected by general business conditions, the financial condition of the borrower and competitive conditions among lenders, among others. As such, prepayments cannot be predicted with accuracy. Upon a prepayment, either in part or in full, the actual outstanding debt on which the Fund derives interest income will be reduced. The effect of prepayments on the Fund's performance may or may not be mitigated by the receipt of prepayment fees and/or the Fund's reinvestment of prepayments in other bank loans that have similar or identical yields.

The Fund is expected to purchase "assignments" of and is expected to also invest in "participations" in bank loans from lenders. In many cases bank loans and loan participations would not be deemed to be securities for purposes of U.S. federal and/or state securities laws. As a result, an investment in bank loans would not be afforded the same protections as an investment in securities, such as the

extensive disclosure requirements under U.S. federal and/or state securities laws, which may adversely impact the Fund's ability to seek recourse in respect of such investments. Certain of the loans or participation interests may be governed by the law of a jurisdiction other than a U.S. jurisdiction. The Fund is unable to provide any information with respect to the risks associated with purchasing a loan or a participation interest under an agreement governed by the laws of a jurisdiction other than a U.S. jurisdiction, including characterization under such laws of such participation interest or sub-participation interest in the event of the insolvency of the institution from whom the Fund purchases such participation interest or sub-participation interest or the insolvency of the institution from whom the grantor of the sub-participation interest purchased its participation interest. Assignments and participations are sold strictly without recourse to the selling institutions, and the selling institutions will generally make no representations or warranties about the underlying loan, the borrowers, the documentation of the loans or any collateral securing the loans. In addition, the Fund will be bound by provisions of the underlying loan agreements, if any, that require the preservation of the confidentiality of information provided by the borrower. Because of certain factors including confidentiality provisions, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans are not purchased or sold as easily as are publicly traded securities.

Distressed Securities. The Fund will invest in "distressed" securities, which are claims and obligations of entities which are experiencing significant financial or business difficulties. Investments may include loans, loan participations, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts and options or participations therein not publicly-traded. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. The level of analytical sophistication, both financial and legal, necessary for successful investing in companies or sovereign issuers experiencing significant business and financial distress is unusually high.

The market prices of such instruments are subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be greater than normally expected. Such Investments may be subject to price volatility due to various factors including changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. Investments traded by the Fund may pay fixed, variable or floating rates of interest, may include interest-only, principal-only or residual obligations and may be subordinated (and thus exposed to the first level of default risk) or otherwise subject to substantial credit risks. In addition to the sensitivity of these instruments to overall interest-rate movements, there exists a fundamental credit risk based on the issuer's ability to make principal and interest payments on the debt it issues.

Valuing high-yield and distressed credit instruments can be an inherently uncertain process due to the uncertain financial condition of the issuers (and the lack of reliable information concerning such issuers' financial condition). These valuation difficulties may be materially exacerbated in certain markets. It may take a number of years for the market price of such securities to reflect their intrinsic value. The Fund may lose a substantial portion or all of its investment in a distressed environment or may be required to accept cash or securities with a value less than the Fund's Investment.

Such Investments also may be adversely affected by U.S. state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. In trading distressed securities, litigation is sometimes required. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses.

Nature of Investment in Corporate Debt Obligations. The Fund's Investments in corporate debt obligations, including senior secured loans, are subject to specific risks. The assets of the Fund's portfolio may include first lien senior secured debt, and may also include selected second lien senior secured debt, which involves a higher degree of risk of a loss of capital.

The factors affecting an issuer's first and second lien leveraged loans, and its overall capital structure, are complex and may differ from the general structure outlined in this Memorandum. Some first lien loans may not necessarily have priority over all other debt of an issuer. For example, some first lien loans may permit other obligations to be secured ratably with the loans (such as overdrafts, swaps or other derivatives made available by members of the lending syndicate to the company), or involve first liens only on specified assets of an issuer (e.g., excluding real estate or receivables). Issuers of first lien loans may have two tranches of first lien debt outstanding each with first liens on separate collateral. Furthermore, the liens referred to herein generally only cover domestic assets and non-U.S. assets are not included (other than a portion of the stock of first-tier non-U.S. subsidiaries). In the event of Chapter 11 filing by an issuer, Title 11 of the U.S. Code (the "Bankruptcy Code") authorizes, under certain circumstances, the issuer to use a creditor's collateral to obtain additional credit by granting a post petition lender "priming" liens on such collateral and/or superpriority administrative expense claims, senior even to liens and claims that were first in priority prior to the bankruptcy filing, as long as the issuer provides what the bankruptcy court determines to be "adequate protection," which may, but need not always, consist of the grant of replacement or additional liens, additional claims (superpriority claims junior to the claims granted to the post petition lender(s)) or the making of cash payments to the affected secured creditor. It is important to note that adequate protection is a flexible concept, and the determination of whether, and in which forms, to provide adequate protection is within the discretion of the bankruptcy court. The imposition of priming liens and/or superpriority claims would adversely affect the priority of the liens and claims held by the Fund and could adversely affect the Fund's recovery on its leveraged loans. In addition, in a bankruptcy proceeding, certain unsecured administrative and priority claims may have priority over first lien, secured loans including, without limitation, the actual and necessary costs of administering the bankruptcy case (e.g., professional fees, certain wage claims of employees, etc.) Such claim, albeit unsecured, will have effective priority over first lien loans because these claims must be paid in full in order to confirm a plan of reorganization or liquidation.

As a general matter, in a bankruptcy proceeding secured debt is entitled to greater priority than unsecured debt but only to the extent of the value of the collateral securing the debt. Moreover, underlying assets are subject to credit, liquidity and interest rate risk. Although the underlying assets selected as collateral to secure loans may give the Fund the ability to realize proceeds through a plan of reorganization or liquidation, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be equal to the amount of

principal, interest and other obligations owing to the Fund with respect to its investment. It is also possible that in a bankruptcy case, unsecured creditors driven to augment their own recoveries may seek to challenge the validity, priority and extent of the first lien lenders' collateral. Even if the first lien lenders were able to successfully defend against such a lien challenge, it is possible that litigation costs relating to such defense could decrease the proceeds of the collateral available for distribution to lenders.

Further, loans may become non-performing for a variety of reasons. Non-performing debt obligations may require substantial workout negotiations, restructuring or bankruptcy filings, all of which may entail a substantial reduction in the interest rate, deferral of payments and/or a substantial write-down of the principal of a loan or conversion of some or all of the debt to equity. Upon a bankruptcy filing by an issuer of debt, the Bankruptcy Code imposes an automatic stay on a lender's efforts to seek or compel payment of prepetition debts. Moreover, if an issuer were to file for Chapter 11 reorganization, the Bankruptcy Code authorizes the issuer to restructure the terms of repayment of debt even if the holders of such debt do not accept the issuer's proposed restructuring as long as, among other things, the bankruptcy court determines that the restructured terms are "fair and equitable" to the debt holders and certain other conditions are met. Because bankruptcy courts are courts of "equity," and have broad statutory power to craft remedies and issue rulings, often without precedent, to facilitate a debtor's reorganization and/or equitable distribution of assets to creditors and other stakeholders, it is inherently difficult to predict how a bankruptcy court will deal with a particular situation and to what extent the court might authorize compromise of a secured lender's claim.

Senior secured loans are also subject to other risks, including, without limitation, (i) invalidation of a debt or lien as a "fraudulent conveyance", (ii) "preference" claw-backs of liens or payments made on account of an antecedent debt in the 90 days (or one year in case of a creditor that is also an insider of the debtor) before a bankruptcy filing, (iii) equitable subordination of claims in cases of misconduct, (iv) so-called "lender liability" claims by the issuer of the obligations and (v) environmental liabilities that may arise with respect to collateral securing the obligations. Recent decisions in bankruptcy cases have held that a secondary loan market participant can be denied a recovery from the debtor in a bankruptcy if a prior holder of the loans either received such loans as a preference or fraudulent conveyance or engaged in conduct that would qualify for equitable subordination if the secondary holder either took the loan by assignment (as opposed to an open market purchase) or had knowledge of the transferee's misconduct when it purchased the loan.

Concentration of Investments. The Fund will invest in a portfolio of stressed and distressed credit as well as "special situations." However, the portfolio may have a limited number of industries, obligors or other similar categories or different issuers may have overlapping exposures to such industries or other categories such that the Fund is more concentrated than it otherwise would be. The concentration of the portfolio in any one obligor, especially during any asset accumulation period, would subject the Interests to a greater degree of risk with respect to market price volatility or defaults by such obligor, and the concentration of the portfolio in any one industry would subject the Interests to a greater degree of risk with respect to economic downturns relating to such industry. Additionally, the Fund may only be able to make a limited number of Investments. As a result, the

negative performance of an Investment may then have a substantial negative impact on the performance of the Fund.

Adverse Consequences of Ownership of Controlling Interests in Investments. It is expected that the Fund may own a significant influence through its ownership of, or a controlling percentage of, the common equity of companies which, depending upon the amount of equity owned by the Fund, contractual arrangements between the company and the Fund, and other relevant factual circumstances could result in an extension to one (1) year of the ninety (90) day bankruptcy preference period with respect to payments made to the Fund. In addition, because of its equity ownership, representation on the board of directors and/or contractual rights, the Fund may often be thought to control, participate in the management of or influence the conduct of its companies. This could expose the assets of the Fund to claims by a company, its other security holders, its creditors or governmental agencies.

Loan Participations and Assignments. The Fund may invest in fixed- and floating-rate loans, which investments generally will be in the form of loan participations and assignments of portions of such loans. Participations and assignments involve special types of risk, including credit risk, interest-rate risk, liquidity risk, and the risks of being a lender. Participations in commercial loans may be secured or unsecured. Loan participations typically represent direct participation in a loan to a corporate borrower, and generally are offered by banks or other financial institutions or lending syndicates. When purchasing loan participations, the Fund assumes the credit risk associated with the corporate borrower and the credit risk associated with an interposed bank or other financial intermediary, and may only be able to enforce its rights through the grantor of the participation. In addition, such investment transactions are at risk of invalidation as a fraudulent conveyance under relevant creditors' rights laws. The participation interests in which the Fund invests may not be rated by any nationally recognized rating service.

Investments in loans through a direct assignment of a financial institution's interests with respect to the loan may involve additional risks to the Fund. For example, if a loan is foreclosed, the Fund could become part owner of any collateral, and would bear the costs and liabilities (including tax liabilities) associated with owning and disposing of the collateral. In addition, it is conceivable that, under emerging legal theories of lender liability, the Fund could be held liable as a co-lender. There is no assurance that loans and other forms of direct indebtedness enjoy securities laws protections against fraud and misrepresentation.

Successful claims by third parties arising from these and other risks, absent bad faith, may be borne by the Fund. Bank loans are frequently traded on the basis of standardized documentation, which is used in order to facilitate trading and market liquidity. There can be no assurance, however, that future levels of supply and demand in bank loan trading will provide an adequate degree of liquidity, that the current level of liquidity will continue or that the same documentation will be used in the future. The settlement of trading in bank loans often requires the involvement of third parties, such as administrative or syndication agents, and there presently is no central clearinghouse or authority that monitors or facilitates the trading or settlement of all bank loan trades. Often, settlement may be delayed due to the actions of a third party or counterparty, and adverse price movements may

occur in the time between trade and settlement, which could result in adverse consequences for the Fund. The failure to satisfy certain contractually imposed settlement requirements results in the forfeiture of delayed compensation, as provided for under The Loan Syndications and Trading Association (“LSTA”) Standard Terms and Conditions for Par/Near Par Trade Confirmations. The Fund will bear any such forfeiture.

Equity Securities. The Fund may take outright long or short positions in an issuer’s equity. The Fund may also acquire equity issued in a restructuring which the Manager believes has substantial “upside” potential but which has not yet been reflected in the market due to the continuing market “taint” of the restructuring on the issuer involved. As the value of equities is based entirely on the enterprise value of the issuer — there is no obligation of the issuer to repay the amount invested — equity price levels can be highly sensitive to numerous economic factors as well as market sentiment and political factors.

Currency Risk. Currency risk is the risk that changes in currency exchange rates will negatively affect securities denominated in, and/or receiving revenues in, foreign currencies. The liquidity and trading value of foreign currencies could be affected by global economic factors, such as inflation, interest rate levels, and trade balances among countries, as well as the actions of sovereign governments and central banks. Adverse changes in currency exchange rates (relative to the U.S. dollar) may erode or reverse any potential gains from the Fund’s investments in securities denominated in a foreign currency or may widen existing losses. In particular, the Hedging Program could cause losses to the Fund and reduce returns, the materiality of which is difficult to determine. Any gains and losses from the Hedging Program will be excluded from distributable amounts.

Use of Currency Forwards. The Fund may enter into currency forward contracts (agreements to exchange one currency for another at a future date). These contracts involve a risk of loss if the Fund fails to predict accurately the direction of currency exchange rates and any gains and losses from such transactions will be excluded from distributable amounts. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. Therefore, a default by the forward contract counterparty may result in a loss to the Fund for the value of unrealized profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate.

As a result of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), the CFTC regulates non-deliverable forwards (including deliverable forwards where the parties do not take delivery). Changes in the forward markets may entail increased costs and result in burdensome reporting requirements. There is currently no limitation on the daily price movements of forward contracts. Principals in the forward markets have no obligation to continue to make markets in the forward contracts traded. The imposition of credit controls by governmental authorities or the implementation of regulations pursuant to the Dodd-Frank Act might limit such forward trading to less than that which the Manager would otherwise recommend, to the possible detriment of the Fund.

There can be no guarantee that instruments suitable for hedging currency shifts will be available at the time the Fund seeks to use them or will be able to be liquidated when the Fund seeks to do so. In addition, the Fund may not enter into hedging transactions with respect to some or all of its positions that are exposed to currency exchange risk.

Foreign Currency Tax Effects and Hedging Transactions. The Fund may invest in debt obligations denominated in currencies other than the U.S. dollar and in partnerships or other pass-through entities whose functional currency is not the U.S. dollar, and the Fund intends to utilize currency hedging transactions to manage the risks associated with fluctuations in currency exchange rates; these investments and transactions may generate gains or losses attributable to changes in foreign currency exchange rates. Gains and losses attributable to changes in currency rates generally are treated as ordinary for U.S. federal income tax purposes unless the Fund qualifies for and makes certain elections to change the character of such gains and losses. In the absence of such elections, the Fund could be required to treat as, and allocate to the Partners as, ordinary income the net amount of its gains on certain transactions to the extent attributable to changes in currency exchange rates.

Investments in Initial Public Offerings. Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities.

Short Sales. The Fund may sell securities short during the course of implementing its trading or hedging strategies. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Fund's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short. Because the borrowed securities sold short must later be replaced by securities purchased in the market, any appreciation in the market price of these securities results in a loss. Purchasing securities to close out a short position can itself cause the market price of the securities to rise further, increasing losses. Furthermore, the Fund may be prematurely forced to close out a short position if a counterparty from which the Fund borrowed securities demands their return or increases the borrowing costs. There can be no assurance that securities necessary to cover a short position will be available for purchase.

The U.S. government and certain non-U.S. jurisdictions have at times taken measures to impose restrictions on the ability of investors to enter into short sales, including a complete prohibition on taking short positions in respect of certain issuers. Such restrictions may negatively affect the ability of the Fund to implement its strategies. It cannot be determined how future regulations may limit the Fund's ability to engage in short selling and how such limitations may impact the Fund's performance.

Investments Longer Than Term. The Fund may make Investments, which may not be advantageously disposed of, or may not reach their maturity, prior to the date the Fund is dissolved, either by expiration of the Fund's term or otherwise. Although the General Partner expects that Investments generally will mature or be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the General Partner has limited ability to extend the term of the Fund and the Fund may have to sell, distribute or otherwise dispose of Investments at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of the Fund, the General Partner (or the relevant liquidators through a liquidating trust) will be required in accordance with applicable law to reduce to cash and cash equivalents the assets of the Fund, due to the nature of the assets held by the Fund, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the Limited Partners will occur and in which the Fund will distribute all Investments or proceeds in accordance with the Fund Agreements and in certain cases the Fund may hold loans (or other similar assets) until their maturity because the General Partner determines it is advisable or is otherwise unable to dispose of the loan at a value it determines in its discretion to be advantageous. In some circumstances, the Fund may determine to restructure or refinance Investments in a manner that would extend their maturity, including after the Investment Period. In some instances, the Fund may have a limited remaining term or liquidity and borrowers may desire that affiliates of the Fund, including other Clients, refinance debt obligations, which would create conflicts of interest with respect to the Fund. There is no guarantee that such conflicts would ultimately be resolved in the interest of the Fund.

Warehoused Investments. The Manager may warehouse, whether by itself or with one or more third parties, one or more investments that will be transferred to the Fund. The Manager will determine, in its sole discretion consistent with any obligations to any Fund parties participating in such warehouse, when such transfer will occur. Any warehoused investments are expected to be transferred to the Fund at cost, and the value of such investments may decline below cost at the time of transfer to the Fund. Even if such decline in value is significant, the Fund will generally be required to pay the Manager and any other warehousing parties any such cost amount, plus interest. The timing of such transfer will typically affect the amount of carrying costs that will accrue and be payable to the Manager and any other warehousing parties upon such transfer.

By executing a subscription agreement to acquire Interests in the Fund, each Limited Partner will grant its consent to the Manager to transfer any investments that may be warehoused to the Fund on the terms specified in this Memorandum.

Derivatives. The Fund is permitted to hold interests in various derivative instruments indirectly or directly, including options, swaps, forward contracts and other derivatives to hedge overall portfolio risk or individual position risk and for speculative purposes. While the Fund is permitted to engage in hedging, it is not required to do so and there is no guarantee that any such hedging strategies will be successful. The use of derivatives will expose the Fund to various risks, including but not limited to:

Counterparty Risk. The risk that the counterparty in a derivative transaction will be unable to honor its financial obligation to the Fund. Certain participants in the derivatives market, including larger financial institutions, have experienced significant financial hardship and deteriorating credit

conditions. If the Fund's counterparty to a derivative transaction experiences a loss of capital, or is perceived to lack adequate capital or access to capital, it may experience margin calls or other regulatory requirements to increase equity. Under such circumstances, the risk that a counterparty will be unable to honor its obligations may increase substantially. Counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties.

Leverage Risk. The risk associated with certain types of derivative strategies that relatively small market movements may result in large changes in the value of an investment. Certain investments or trading strategies that involve leverage can result in losses that greatly exceed the amount originally invested.

Liquidity Risk. The risk that certain instruments may be difficult or impossible to sell at the time that the seller would like or at the price that the seller believes the security is currently worth. This risk is heightened to the extent the Fund engages in OTC derivative transactions. The illiquidity of OTC derivative transactions may be due to various factors, including congestion, disorderly markets, limitations on deliverable supplies, the participation of speculators, government regulation and intervention, and technical and operational or system failures. Such illiquidity may also make it more difficult for the Fund to ascertain the market value of derivatives.

Correlation Risk. The risk that changes in the value of a derivative will not match the changes in the value of the portfolio holdings that are being hedged or of the particular market, security or loan to which the Fund seeks exposure.

Index Risk. If the derivative is linked to the performance of an index, it will be subject to the risks associated with changes in that index. If the index changes, the Fund could receive lower payments or experience a reduction in the value of the derivative to below what the Fund paid. Certain indexed securities, including inverse securities (which move in an opposite direction to the index), may create leverage, to the extent that they increase or decrease in value at a rate that is a multiple of the changes in the applicable index.

Regulatory Risk. Various legislative and regulatory initiatives may impact the availability, liquidity and cost of derivatives, including potentially limiting or restricting the ability of the Fund to use certain derivatives or certain counterparties, increasing the costs of using these instruments or making these instruments less effective.

Management Risk. Furthermore, the Fund's ability to successfully use derivatives depends on the Manager's ability to successfully structure and implement hedging strategies. Additionally, segregated liquid assets, amounts paid by the Fund as premiums and cash or other assets held in margin accounts with respect to derivatives are not otherwise available to the Fund for investment purposes.

Participation on Creditors' Committees. The Fund may serve on committees formed by creditors ("Creditors' Committees") to negotiate with the management of financially troubled companies that may or may not be in bankruptcy. The Fund may also seek to negotiate directly with debtors with

respect to restructuring issues. Even if the Fund chooses to join a Creditors' Committee, there can be no assurance that the Fund would be successful in obtaining results favorable to it in such proceedings, and the Fund may incur significant legal fees and/or other expenses in attempting to do so, as Creditors' Committees generally consist of many participants, each of which attempts to obtain an outcome that is in its individual best interests. As a result of the Fund's service on such Creditors' Committees, the Fund may be deemed to have duties to other creditors represented by the Creditors' Committees, which might thereby expose the Fund to liability to such other creditors who disagree with the Fund's actions. The General Partner, on behalf of the Fund, may elect to serve on Creditors' Committees, equity holders' committees, or other groups to ensure preservation or enhancement of the Fund's position as a creditor or equity holder. A member of any such Creditors' Committee or group may owe certain obligations generally to all parties similarly situated that the Creditors' Committee represents. If the General Partner concludes that its obligations owed to the other parties as a Creditors' Committee or group member conflict with its duties owed to the Fund, it may resign from that Creditors' Committee or group, and the Fund may not realize the benefits, if any, of the General Partner's service on the Creditors' Committee or group. Additionally, if the Fund is represented on a Creditors' Committee or group, it may be restricted or prohibited under applicable law from disposing of its Investments in the subject company while it continues to be represented on such Creditors' Committee or group.

Debtor-in-Possession ("DIP") Loans. The Fund may invest in or extend loans to companies that have filed for protection or moratorium under available bankruptcy rules. These debtor-in-possession or DIP loans are most often revolving working-capital facilities put into place at the outset of the relevant proceedings to provide the debtor with both immediate cash and the ongoing working capital that will be required during the reorganization process. While such loans may be generally less risky than many other types of loans as a result of their seniority in the debtor's capital structure and because their terms have been approved by a court or other competent public authority, it is possible that the debtor's reorganization efforts may fail and the proceeds of the ensuing liquidation of the DIP lender's collateral might be insufficient to repay in full the DIP loan.

Sub-Investment Grade and Unrated Debt Obligations Risk. The Fund may invest in sub-investment grade debt obligations. Investments in the sub-investment grade categories are subject to greater risk of loss of principal and interest than higher-rated securities and may be considered to be predominantly speculative with respect to the obligor's capacity to pay interest and repay principal. They may also be considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with non-investment grade securities, the yields and prices of such securities may fluctuate more than those for higher-rated securities. The market for non-investment grade securities may be smaller and less active than that for higher-rated securities, which may adversely affect the prices at which these securities can be sold and result in losses to the Fund, which, in turn, could have a material adverse effect on the performance of the Fund, and, by extension, the Fund's business, financial condition, results of operations and the value of the Interests.

In addition, the Fund may invest in debt obligations which may be unrated by a recognized credit rating agency, which may be subject to greater risk of loss of principal and interest than higher-rated

debt obligations or debt obligations which rank behind other outstanding securities and obligations of the obligor, all or a significant portion of which may be secured on substantially all of that obligor's assets. The Fund may also invest in debt obligations which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Any of these factors could have a material adverse effect on the performance of the Fund, and, by extension, the Fund's business, financial condition, results of operations and the value of the Interests. Sub-investment grade investments that are also stressed or distressed heighten the risks discussed above.

Reliance on Management of the Fund. Decisions with respect to the management of the Fund will be made by the General Partner with the advice of the Manager, and Limited Partners have no right or power to take part in the management or control of the Fund. Accordingly, no prospective investor should purchase any interests in the Fund unless it is willing to entrust all aspects of management of the Fund to the General Partner and the Manager. Limited Partners will not receive the detailed financial information issued by Portfolio Companies that is available to the General Partner and the Manager, and therefore will not have all the information on which the General Partner and the Manager rely when making decisions on behalf of the Fund. The success of the Fund will depend on the ability of the General Partner and the Manager to identify and consummate suitable investments, to improve the operating performance of Portfolio Companies and to dispose of investments of the Fund at a profit. These objectives may not be achieved.

There can be no assurance that all of the professionals of the General Partner and the Manager will continue to be associated with the General Partner and the Manager throughout the Fund's term. The loss of the services of one or more members of the professional staff of the Manager or the principals of the General Partner could have an adverse impact on the Fund's ability to realize its investment objective.

The Manager's principals will devote such time as is necessary to conduct the affairs of the Fund in an appropriate manner. However, certain principals may be engaged in some activities unrelated to the Fund, including, without limitation, participating on boards of directors for companies that are not Portfolio Companies of the Fund and boards of non-profit or civic organizations, or holding advisory positions with other investment firms or with companies that are not Portfolio Companies of the Fund. The Fund will have no interest in these other activities. The performance of the Fund could be adversely affected by the other professional commitments of the Manager's principals. Additionally, the activities of the Fund may be restricted as a result of the Manager's principals' individual activities, because the Manager's principals may from time to time acquire confidential or material non-public information by their involvement in these activities that they are legally prevented from using for the benefit of the Fund. For instance, due to such restrictions, the Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Portfolios of Investments. The Fund may seek to purchase entire portfolios or substantial portions of portfolios from market participants in need of liquidity. The Fund may be required to bid on such

portfolios in a very short time frame and may not be able to perform normal due diligence on the portfolio. Such a portfolio may contain instruments or complex arrangements of multiple instruments that are difficult to understand or evaluate. In addition, the Fund may be obligated to acquire Investments in such portfolios that it would not otherwise have determined to acquire if it were acquiring such Investments individually. Such a portfolio may suffer further deterioration after purchase by the Fund before it is possible to ameliorate risks associated with the portfolio. As a consequence, there is substantial risk that the Manager will not be able to adequately evaluate particular risks or that market movements or other adverse developments will cause the Fund to incur substantial losses on such transactions.

Risks Associated with Publicly Traded Securities. In certain circumstances the Fund's investment portfolio may contain securities and obligations issued by publicly-held companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including Invesco investment professionals and increased costs associated with each of the aforementioned risks. In the event that the Fund acquires fixed income securities and/or other instruments that are publicly traded, the Fund will be subject to certain inherent risks. In some circumstances, the Fund may be unable to obtain financial covenants or other contractual rights, including management rights, that it might otherwise be able to obtain in making privately-negotiated debt investments. Moreover, the Fund may not have the same access to information in connection with investments in public instruments, either when investigating a potential investment or after making an investment, as compared to a privately-negotiated debt investment.

Investments in New Issues. From time to time, the Fund may, to the extent permitted by the Rules of the Financial Industry Regulatory Authority, Inc. (the "FINRA Rules"), purchase equity securities that are part of an initial public offering (such equity securities, "New Issues"). Under the FINRA Rules, unless certain exceptions apply, broker-dealers may not sell such securities to a private investment fund, such as the Fund, whose beneficial owners include certain categories of restricted persons, including persons employed by or associated with a broker-dealer, portfolio managers of certain registered and unregistered investment advisory firms, or persons who are affiliated with certain companies that are current, former or prospective investment banking clients of the broker-dealer ("Restricted Persons"). The Manager expects that certain Limited Partners, including potentially certain affiliates of the General Partner, will qualify as Restricted Persons. To allow the Fund to participate in New Issues, the General Partner may exclude certain Limited Partners that it determines, in its sole discretion, are Restricted Persons from participating in the relevant Investment or the portion thereof consisting of the New Issues. For administrative or other purposes, the General Partner may elect in its sole discretion to treat any Limited Partner that is restricted in any way as a Restricted Person as entirely restricted from participating in New Issues. As with any investment where certain Partners are excluded, excluded Limited Partners will not participate in the costs (including certain expenses) and any potential losses (or potential profits) associated with the investment from which they are excluded, which would be borne by (or accrue to the benefit of) non-

excluded Partners. The extent of the Fund's participation in any New Issue will be determined, in part, on the basis of Limited Partner responses to applicable portions of the Subscription Agreement. Certain Limited Partners may elect to be treated as Restricted Persons even though not technically required by the FINRA Rules, and the General Partner intends to treat such Limited Partners as Restricted Persons. The failure by any Limited Partner who qualifies as a Restricted Person to properly disclose that fact in its Subscription Agreement could result in the Fund participating in a New Issue in violation of the FINRA Rules, which could result in adverse consequences for the Fund and the Limited Partners.

Non-Controlling Investments. The Fund may hold less than 50% of the outstanding voting interests of any issuer, or may hold Investments in debt instruments or other securities that do not entitle the Fund to voting rights, and, therefore, may have a limited ability to protect its investment.

In these non-controlling investments, the Fund may have no right to appoint a director and to influence such companies' management. Similarly the Fund may co-invest with third parties through joint ventures, other entities or similar arrangements, thereby acquiring non-controlling interests in certain Investments. In such cases, the Fund will be significantly reliant on the existing management, board of directors and other shareholders of such companies, which may include representation of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund.

Moreover, in the case where the Fund may co-invest, such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party partner or co-investor may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Fund, may be in a position to take (or block) action in a manner contrary to the Fund's investment objectives, or the increased possibility of default, diminished liquidity or insolvency by the third party partner or co-investor due to a sustained or general economic downturn. In addition, the Fund may in certain circumstances be liable for the actions of its third party partners or co-investor. Investments made with third parties in joint ventures or other entities also may involve compensation arrangements including carried interests and/or other fees payable to such third party partners or co-investors, particularly in those circumstances where such third-party partners or co-investors include a management group.

Fraud. One concern of investments in loans is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Fund to perfect or effectuate a lien on any collateral securing the loan. The Fund will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Issuer Insolvency Risks. If a court in a lawsuit brought by a creditor or representative of creditors (such as a trustee in bankruptcy) of an issuer of one of the Fund's Investments were to find that (a) such creditor did not receive reasonably equivalent value for incurring the indebtedness evidenced by the loans that the company issued to the Fund and (b) after giving effect to such indebtedness and the use of the proceeds thereof, such company (i) was insolvent, (ii) was engaged in a business for which its remaining assets constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the obligor or recover amounts previously paid by such company to the Fund in satisfaction of such indebtedness.

In addition, upon the insolvency of an issuer, payments that it made to the Fund may be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year in the case of the U.S.) before insolvency. There can be no assurance as to what a given court would apply in order to determine whether the company was "insolvent" or that, regardless of the method of valuation, a court would not determine that the company was "insolvent," in each case, after giving effect to the indebtedness evidenced by the loans held by the Fund and the use of the proceeds thereof. While the Fund may be able to assert certain defenses to any such avoidance claims, the outcome of such claims is within the discretion of the bankruptcy court and is therefore inherently incapable of being predicted.

In general, if payments are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as the Fund) or from subsequent transferees of such payments, including the Limited Partner.

The above discussion is based upon U.S. federal and state laws. Insofar as investments that are obligations of non-U.S. obligors are concerned, the laws of these jurisdictions may provide for avoidance remedies under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under U.S. federal and state laws. The insolvency regimes applicable in such jurisdictions result in a corresponding variability of recovery rates for senior loans, high-yield bonds and other debt obligations originated, purchased or issued in such jurisdictions, which may materially delay recovery by the Fund of amounts owed by insolvent borrowers or issuers subject to such regimes.

Credit Risks; Special Situations. One of the fundamental risks associated with the Fund's Investments is credit risk, which is the risk that an issuer or borrower will be unable to make principal and interest payments on its outstanding debt obligations when due or otherwise will default on its obligations to the Fund and/or that the guarantors or other sources of credit support for such persons will not satisfy their obligations. The Fund's return to Limited Partners may be adversely impacted if a borrower under a loan in which the Fund invests becomes unable to make such payments when due. While corporate debt obligations purchased by the Fund may generally be secured by collateral, the Fund may be exposed to losses resulting from default and foreclosure. In addition, although the Fund may make investments that the Manager believes are secured by specific collateral the value of which may initially exceed the principal amount of such investments or the Fund's fair value of such investments,

there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, the Fund could experience delays or limitations with respect to its ability to enforce rights against and realize the benefits of the collateral securing an investment. Under certain circumstances, collateral securing an investment may be released without the consent of the Fund, or the Fund's expected rights to such collateral could, under certain circumstances, be voided or disregarded. The Fund's Investments in secured debt may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, the Fund may not have priority over other creditors as anticipated. Furthermore, the Fund's right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of the senior lender. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien are each of great importance. If the borrower breaches any of the covenants or restrictions under the credit agreement that governs loans of such borrower, it could result in a default under the applicable indebtedness as well as the indebtedness held by the Fund. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. This could result in an impairment or loss of the Fund's Investment or result in a pre-payment (in whole or in part) of the Fund's Investment. The Fund will also invest in event-driven and other special situations such as recapitalizations, spin-offs, bankruptcy, litigation, corporate control transactions, corporate events and other catalyst-oriented strategies related to existing investments. Such investments are often difficult to analyze or may have limited trading histories or in-depth research coverage. Although the Fund intends to utilize appropriate risk management strategies, such strategies cannot fully insulate the Fund from the risks inherent in its planned activities. Moreover, in certain situations the Fund may be unable to, or may choose not to, implement risk management strategies because of the costs involved or other relevant circumstances. The Manager could be incorrect in its assessment of the downside risk associated with an investment, thus resulting in significant losses to the Fund.

Furthermore, in a bankruptcy proceeding, the bankruptcy court, at the borrower's request, may impose certain restrictions on the Fund's ability to trade freely in its positions. Such restrictions are typically imposed to protect against changes in the borrower's ownership that could jeopardize the borrower's net operating loss carryovers or other positive tax attributes, which may be of substantial value to the bankruptcy estate.

Contingent Liability Risk. The Fund may from time to time incur contingent liabilities in connection with an Investment. For example, the Fund may originate or acquire a revolving credit or delayed draw term facility that has not yet been fully drawn. If the borrower subsequently draws down on the facility, the Fund will be obligated to fund the amounts due. There can be no assurance that the Fund will adequately reserve for its contingent liabilities and that such liabilities will not have an adverse effect on the Fund.

Investment Modification Risk. The terms and conditions of loan agreements and related assignments may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement must include a majority or a super majority (measured by outstanding loans or

commitments) or, in certain circumstances, a unanimous vote of the lenders. Consequently, the terms and conditions of the payment obligation arising from Investments could be modified, amended or waived in a manner contrary to the preferences of the Fund if a sufficient number of the other lenders concurred with such modification, amendment or waiver. There can be no assurance that any obligations arising from an Investment will maintain the terms and conditions to which the Fund originally agreed.

The exercise of remedies may also be subject to the vote of a specified percentage of the lenders thereunder. The Fund may consent to certain amendments, waivers or modifications to the Investments requested by obligors or the lead agents for loan syndication agreements. The Fund may extend or defer the maturity, adjust the outstanding balance of any investment, reduce or forgive interest or fees, release material collateral or guarantees, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. Any amendment, waiver or modification of an Investment could adversely impact the Fund's returns.

Illiquidity of Investments. The Fund's Investments may consist of securities that are subject to restrictions on sale under the securities laws of U.S. and non-U.S. jurisdictions. Generally, the Fund will not be able to sell these securities publicly in the U.S. without the expense, time and other burdens required to register the securities under the Securities Act, or will be able to sell the securities only under Rule 144 or other rules under the Securities Act that permit only limited sales under specified conditions. When restricted securities are sold to the public, the Fund may be deemed a controlling person, or possibly an "underwriter," with respect thereto for the purpose of the Securities Act and be subject to liability as such under the Securities Act. The sale of investments may be subject to restrictions imposed by the applicable securities laws of non-U.S. jurisdictions in the case of portfolio companies that are not U.S. companies.

Sales may in the future be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The limitations on liquidity of the Fund's Investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

Bridge Financings. From time to time, the Fund may invest in bridge financings in connection with Investments on a short-term, secured or unsecured basis or otherwise invest on an interim basis in Investments. Such bridge loans or interim investments may be convertible into a more permanent, long-term financing; however for reasons not always in the Fund's control, more permanent financing or securities may not occur and such bridge loans or interim investments may remain outstanding. In such event, the interest rate or the terms of such interim investments may not adequately reflect the risks associated with the position taken by the Fund.

Convertible Securities. The Fund may invest in convertible securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. Convertible fixed income securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. As with all fixed income securities,

the market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus may not decline in price to the same extent as the underlying common stock. Convertible securities rank senior to common stocks in an issuer's capital structure and consequently entail less risk than the issuer's common stock. The Fund may invest in convertible securities of any maturity and will determine whether to hold, sell or convert any security in which it has invested, depending upon the Manager's outlook for the market value for such security, the security into which it converts and/or other factors.

Warrants. The Fund may hold warrants or rights. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a stated price. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of options. Unlike most options, however, warrants and rights are issued in specific amounts, and warrants generally have longer terms than options. Warrants and rights are not likely to be as liquid as exchange-traded options backed by a recognized clearing agency. In addition, the terms of warrants or rights may limit the Fund's ability to exercise the warrants or rights at such time, or in such quantities, as the Fund would otherwise wish.

Counterparty Risk. Some of the markets in which the Fund may effect transactions are "over-the-counter" ("OTC") or "inter-dealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Manager's evaluation of the Fund's counterparties may prove insufficient.

International Investing. Investing outside the United States may involve greater risks than investing in the United States. These risks may include, among other things: less publicly available information; varying levels of governmental regulation and supervision; more volatile financial markets; restrictions on repatriation of capital and profits; and the difficulty of enforcing legal rights in a foreign jurisdiction and uncertainties as to the status, interpretation and application of laws.

General Leverage Risks. The Fund will be permitted to employ leverage and otherwise incur indebtedness with respect to the portfolio both on a recourse or non-recourse basis (including through warehouse lines, guarantees, derivatives, forward commitments, repurchase agreements and reverse repurchase agreements). In connection with any leverage utilized by the Fund, the Fund may secure its obligations with respect thereto with any and all of its assets, including its right to receive capital contributions from the Limited Partners, pursuant to a pledge or other security

agreement on terms that the General Partner determines are fair and reasonable to the Fund. If the Fund were to default on its obligations under such transactions, the counterparty could foreclose on the collateral and take possession of the Fund's assets and/or call capital from the Limited Partners for purposes of repaying debt. The terms of any leverage utilized by the Fund are likely to impose significant restrictions on the Fund's operations and investment program, including as to the Fund's ability to pay distributions, incur additional leverage and engage in certain transactions. The use of leverage may also result in the incurrence of UBTI by tax-exempt investors (see Section X – "*Certain Legal and Tax Considerations - Certain U. S. Federal Income Tax Considerations - Tax-exempt U.S. Investors*").

Interest Rate Risk. The market value of debt securities generally varies in response to changes in interest rates and the financial condition of the issuer of such securities. During periods of declining interest rates, the value of debt generally increases. Conversely, during periods of rising interest rates, the value generally declines. These changes in market value will be reflected in the net asset value of the Fund. No assurance can be given that the debt and fixed income obligations in which the Fund invests will continue to earn yields comparable to those earned historically, nor can any assurance be given that the issuers of such securities will make payment on such obligations as they become due.

Prepayment of Investments. While an investment may have a stated maturity, borrowers may prepay their loans prior to such maturity. Early prepayment, particularly by good credits, reduces the Fund's opportunity to make long-term compounded returns. Later prepayment, particularly by weaker credits, can tie up the Fund's capital in Investments which may have a greater risk of default. Either way, the shortening or lengthening of the holding period may prevent the Fund from realizing its projected returns.

Service on Boards of Directors, Material Non-Public Information, Etc. Individual members of the General Partner and the Manager may serve as officers or directors of portfolio companies. In their capacity as officers or directors (or even simply by virtue of the Fund's status as a significant shareholder of a portfolio company), such individuals may become subject to fiduciary or other duties which adversely affect the Fund. For example, the Fund may be unable to sell or otherwise dispose of an investment if a member of the General Partner is in possession of material, non-public information ("material non-public information") relating to the issuer thereof. Nevertheless, the Partnership Agreement will not preclude members of the General Partner or the Manager from serving as officers or directors of portfolio companies or otherwise acquiring material, non-public information regarding portfolio companies. Conversely, the Partnership Agreement will not require that members of the General Partner or the Manager serve as officers or directors of portfolio companies, and there can be no assurance that the General Partner or the Manager will have a legal right to influence the management of any portfolio company.

Distributions In-Kind. Although, under normal circumstances, the Fund intends to make distributions in cash, it is possible that under specific circumstances (including the liquidation of the Fund), distributions may be made in kind and could consist of securities for which there is no readily available public market.

Use of Alternative Investment Vehicles. In order to address legal, tax, regulatory, accounting or other similar considerations, the General Partner may cause certain of the Fund's Investments to be held outside of the Fund through one or more alternative investment vehicles and may require the Partners to make such investments directly or indirectly through one or more such alternative investment vehicles. While the economic, governance and other substantive provisions governing any alternative investment vehicle are intended to be materially the same as those of the Fund taking into consideration the legal, tax, regulatory, accounting or other result intended to be achieved, the rights of the Limited Partners in, and the obligations and duties of the General Partner as manager of the alternative investment vehicle may differ from those applicable to the Fund by virtue of the specific terms or jurisdiction of establishment of the alternative investment vehicle. In addition, the structural attributes of certain alternative investment vehicles may result in divergent return characteristics for certain Limited Partners.

Co-Investment Vehicles. The General Partner may, in its sole discretion, provide or commit to provide co investment opportunities to one or more Limited Partners and/or other persons including the General Partner, certain employees of the General Partner and/or its affiliates, executives of companies in which the Fund's investment professionals previously have invested, been employed or otherwise been associated and family members, in each case on terms to be determined by the General Partner in its sole discretion, subject to its then-current policies and procedures regarding allocation and the Partnership Agreement. Conflicts of interest may arise in the allocation such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the General Partner in its sole discretion, may not be in the best interests of the Fund or any individual Limited Partner. The General Partner may consider some or all of a wide range of factors, which may include one or more of the following: the ability of an investor to commit to invest in a short period of time in light of the timing constraints applicable to such investment; the ability of an investor to commit to a significant portion of such opportunity; whether an investor provides strategic value in respect of such investment, such as by having relevant experience in the sector or existing relationships with management or other relevant parties; the size of an investor's commitment to the Fund; whether and to what extent an investor has accepted prior co-investment opportunities offered to it; tax and regulatory considerations; or such other factors as the General Partner deems relevant, which may include subjective determinations such as working relationships and strategic benefits to ISSM or the Fund and/or the likelihood that an investor may invest in the Fund or a future fund sponsored by ISSM or its affiliates.

The Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objectives of the Fund. In addition, the Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. In some cases, a co-investment vehicle may be formed in connection with the consummation of a transaction and such entity will bear expenses related to its formation and operation. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial to the

transaction, ultimately is not consummated, the full amount of any fees and expenses or other liabilities or obligations relating to any such proposed transaction generally would be borne by the Fund, and not by any potential co-investors that would have participated in such transaction (except for any co-investment vehicles, as discussed above).

Co-investment opportunities may, and typically will, be offered to some and not to other investors. When and to the extent that employees and related persons of the General Partner and its affiliates make capital investments in (directly or indirectly through the General Partner) or alongside the Fund, the General Partner and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that the Fund's return from a transaction would be equal to and not less than another investment vehicle participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

To the extent that any other fund or any other entity or individual co-invests alongside the Fund in any Investment, any Transaction Fees will be allocated among the Fund and the co-investors in proportion to the cost of the Investment or potential investment held (or committed to be held) by each. Accordingly, the Fund will, in most cases, only benefit from the Management Fee reduction described herein with respect to its allocable portion of any such Transaction Fee and not the portion of any fee allocable to any other investor in an Investment. For the avoidance of doubt, the amount of Transaction Fees allocated to a co-investment vehicle or any other fund that does not pay management fees will be retained by the General Partner and such amounts will not offset any management fee (including the Management Fee of the Fund).

Formation of Other Partnerships. Pursuant to the terms of the Partnership Agreement, the General Partner has established and may, under certain conditions, establish additional investment funds which may be competitive with the Fund, and there can be no assurance that the creation of existing funds and additional funds will not give rise to conflicts of interest between the limited partners of the respective partnerships.

General Partner's Carried Interest Distributions. The fact that the General Partner's Carried Interest distributions are based on the performance of the Fund may create an incentive for the General Partner to make investments that are more speculative than would be the case in the absence of such distributions, but this incentive is somewhat tempered by the fact that losses will reduce the Fund's performance and the General Partner's Carried Interest distributions.

Reinvestment. Subject to the terms of the Partnership Agreement, the Fund is entitled to reinvest and/or distribute and retain distributions received from Investments (except for distributions of interest income, which may be retained at the General Partner's discretion). This can result in the Fund making Investments with a cost basis greater than the capital committed by the Partners, and could result in losses on reinvested amounts. Further, if the General Partner does not retain or retains too little of any such proceeds during the Investment Period, there could be significant dilution to the Fund in the event a financing of one of the Investments is required after the end of the Investment Period.

Indemnification. The Partnership Agreement contains provisions that may provide a broader indemnification of the General Partner, the Manager, any of their respective officers, directors, partners, managing directors, stockholders, members, other equity holders, employees or controlling persons against claims or lawsuits arising out of the Fund's activities than would apply in the absence of these provisions. In addition, the General Partner may purchase insurance, at the expense of the Fund, against any liability asserted or incurred by the General Partner and any other indemnified person in any such capacity, whether or not the Fund would have the power to indemnify any such indemnified person against such liability under the Partnership Agreement.

No Market for the Interest. Interests will not be registered under the Securities Act, or any other applicable securities laws of any state or non-U.S. jurisdiction and will not ordinarily be capable of being withdrawn and/or transferred. See Section X "*Certain Legal and Tax Considerations — U.S. Securities Laws.*" Interests may not be assigned without the prior written consent of the General Partner, which consent may be granted or withheld in its sole discretion. An investment in the Fund is a long-term commitment. There is no market for the Interests and none is expected to develop. Interests are not redeemable and voluntary withdrawals are not permitted except in limited circumstances. Consequently, Limited Partners may not be able to liquidate their investments prior to the end of the Fund's term and must be prepared to bear the risks of an investment in the Fund or an extended period of time.

Adverse Amendments. The General Partner, with the consent of a majority-in-interest of the Limited Partners (or as otherwise set forth in the Partnership Agreement), may amend certain provisions of the Partnership Agreement. Subject to certain limitations set forth in the Partnership Agreement, such amendments may have adverse effects on certain Limited Partners.

Conflicting Interests of Limited Partners. The Fund is likely to have a diverse range of Limited Partners that may have conflicting interests stemming from differences in investment preferences, tax status, and regulatory status. The General Partner will consider the objectives of the Fund and the Limited Partners as a whole when making investment decisions with respect to the selection, structuring, and sale of Investments. However, such decisions may be more beneficial for one Limited Partner than for another Limited Partner.

Excuse or Exclusion of Investors. The General Partner may excuse or exclude certain Limited Partners from participation in Investments for a number of reasons in accordance with the Partnership Agreement. If any Limited Partner is excused or excluded from any Investment, the remaining Partners who participate in such Investment may have exposure to such Investment to a greater degree than they would have in the absence of such excuse or exclusion.

Government Plan Partners. The General Partner may be required to make certain representations and covenants with respect to campaign contributions, use of placement agents or similar activities in connection with an investment in the Fund by certain investors such as state or local entities, including investments by public retirement funds. The Partnership Agreement and Side Letters entered into with Limited Partners may provide such Limited Partners with certain rights related to such matters (including, without limitation, certain excuse and withdrawal rights) that are not

available to other Limited Partners and which may, under certain circumstances, be contrary to the best interests of the Fund. In addition, applicable laws may provide such Limited Partners certain excuse and conditional withdrawal rights from the Fund.

Side Letters. The Manager and/or the General Partner may enter into Side Letters with certain Limited Partners in connection with their admission, without the approval of any other Limited Partner, which would have the effect of establishing rights under or altering or supplementing the terms of this Memorandum, the Partnership Agreement and the subscription agreement with respect to such Limited Partner in a manner more favorable to such Limited Partner than those applicable to other Limited Partners. Such rights or terms in any such Side Letter or other similar agreement may include, without limitation, (i) excuse rights applicable to particular types of investments (which may increase the percentage interest of other Limited Partners in, and contribution obligations of, other Limited Partners with respect to, such investments); (ii) the General Partner's agreement to extend certain information rights or additional reporting to such Limited Partner, including, without limitation, to accommodate special regulatory or other circumstances of such Limited Partner; (iii) waiver or modification of certain confidentiality obligations and/or documentation that might be requested by the General Partner for the benefit of lenders or other persons extending credit to or arranging financing for the Fund; (iv) consent of the General Partner to certain transfers by such Limited Partner or other exercises by the General Partner of its discretionary authority under the Partnership Agreement for the benefit of such Limited Partner; (v) restrictions on, or special rights of such Limited Partner with respect to the activities of the General Partner; (vi) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of a Limited Partner; (vii) economic arrangements; (viii) matters regarding such Limited Partner's right to participate in co-investment opportunities; or (ix) additional obligations, and restrictions of the Fund with respect to the structuring of any investment (including with respect to alternative investment vehicles). If the General Partner and/or the Manager enter into a Side Letter entitling a Limited Partner to opt out of a particular investment or withdraw from the Fund, any election to opt out or withdraw by such Limited Partner may increase any other Limited Partners' pro rata interest in that particular investment (in the case of an opt-out) or all future investments (in the case of a withdrawal), increasing such other Limited Partners' risk of loss. Any rights or terms so established in a Side Letter with a Limited Partner will govern solely with respect to such Limited Partner (but not any of such Limited Partner's assignees or transferees unless so specified in such Side Letter) and will not require the approval of any other Limited Partner notwithstanding any other provision of the Partnership Agreement.

Third-Party Advice. The Fund, the General Partner and the Manager utilize the services of attorneys, accountants and other consultants and experts in their operations. The Fund, the General Partner and the Manager generally rely upon such advisors for their professional judgment with respect to legal, tax and other regulatory matters. There exists a risk that such advisors may provide incorrect advice from time to time. None of the Fund, the General Partner or the Manager will have any liability to Limited Partners for any reliance upon such advice.

Legal Counsel. Ropes & Gray LLP and Appleby (Cayman) Ltd. in the Cayman Islands currently serve as counsel ("Counsel") for the Fund, the General Partner, the Manager and their affiliates. Counsel

renders legal services to the Fund, the General Partner, the Manager and their affiliates and has not been engaged by the Fund, the General Partner, the Manager or their affiliates to represent the interests of any Limited Partner in the Fund in connection with this offering of Interests. No independent counsel has been retained to represent the Limited Partners.

Prospective investors should seek their own legal, tax and financial advice before making an investment in the Fund. Counsel may be removed by the General Partner at any time without the consent of, or notice to, the Limited Partners. In addition, Counsel does not undertake to monitor the compliance of the Fund, the General Partner, the Manager or their affiliates with the investment program, investment strategies, investment restrictions and other guidelines and terms set forth in this Memorandum and the Partnership Agreement, nor does Counsel monitor compliance with applicable laws. Counsel has not investigated or verified the accuracy and completeness of information set forth in this Memorandum concerning the General Partner, the Manager or their affiliates and personnel.

Investments Alongside ICP III. In connection with implementing the Post-Transition Strategy, the Fund intends to invest alongside ICP III. However, the Fund might not be able to participate alongside ICP III in each and every investment or participate at the same time and on the same basis in each and every investment as ICP III due to certain investment restrictions put in place by financial intermediaries, which the Fund is unable to satisfy due to limited available capital. These differences can be detrimental to the Fund. Such restrictions include, but are not limited to, minimum lot size restrictions, trading restrictions and other minimum investment requirements put in place by issuers, brokers, transfer agents and other financial intermediaries. Accordingly, the Fund is not required to (and in certain instances, will not have the ability to) invest alongside ICP III in each and every investment or participate at the same time in each and every investment as ICP III where the General Partner has determined in good faith that it is impractical or unable to do so. There can be no assurance that the Fund will invest in all investment opportunities that fall within its investment objectives. As a result of the foregoing, the Fund and ICP III may have different return profiles for certain investments and/or over any period of time, including the full term of the Fund.

C. *Risks Related to General Market Conditions*

Global Economy and Market Conditions. The Fund is subject to the risk that war, terrorism, climate change, social unrest and related and unrelated geopolitical and other new or novel market disrupting events as well as outbreaks of infectious disease, pandemics or any other serious public concerns (cumulatively, “Market Disruption Events”) may lead to increased short-term market volatility and have adverse long-term effects on world economies and markets generally, as well as adverse effects on issuers of securities and the value of the Fund’s investments. Market Disruption Events as well as other changes in world economic, social and political conditions also are likely to adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of the Fund’s investments. In addition, certain recent bank failures could be a sign of systemic economic weakness that could be revealed over time, and the effect on inflation of the related remedies by the U.S. Federal Government could cause further adverse economic implications. Such failures have also caused volatility in

markets generally. At such times, the Fund's exposure to a number of other risks described elsewhere in this section can increase. ISSM's financial condition may be adversely affected by a significant general economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on ISSM's business and operations and thereby could impact the Fund. Moreover, a sustained downturn in the U.S. or global economy (or any particular segment thereof) or weakening of credit markets could adversely affect the Fund's profitability, impede the ability of the Fund's portfolio companies to perform under or refinance their existing obligations, and impair the Fund's ability to effectively exit its portfolio investments on favorable terms. Any of the foregoing events could result in substantial or total losses to the Fund in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in a particular portfolio company's capital structure. ISSM itself could also be affected by difficult conditions in the capital markets and any overall weakening of the financial services industry. Any market turmoil, coupled with the threat of an economic slow-down, as well as a perceived increase in counterparty default risk, may have an adverse impact on the availability of credit to businesses generally, which in turn may adversely affect or restrict the ability of the Fund to sell or liquidate investments at favorable times or at favorable prices or which otherwise may have an adverse impact on the business and operations of the Fund, restrict the Fund's investment activities and/or impede the Fund's ability to effectively achieve its investment objective.

Bank Failures. The impairment or failure of one or more banks with whom the Fund, its portfolio companies, the General Partner and/or the Manager transact may inhibit the ability of the Fund or its portfolio companies to access depository accounts or lines of credit. In such cases, the Fund may be forced to delay or forgo investments or call capital when it is not desirable to do so, resulting in lower performance for the Fund. In the event of such a failure of a banking institution where the Fund or one or more of its portfolio companies hold depository accounts, access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation ("FDIC") protection may not be available for balances in excess of amounts insured by the FDIC. In such instances, the Fund and its affected portfolio companies would not recover such excess, uninsured amounts. The loss of these amounts or the inability to access such amounts, even if ultimately recovered, for a period of time, could be materially adverse to the Fund or its portfolio companies. One or more investors could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments.

Russian Invasion of Ukraine. On February 21, 2022, Russian President Vladimir Putin ordered the Russian military to invade two regions in eastern Ukraine (the Donetsk People's Republic and Luhansk People's Republic regions). The following day, the United States, United Kingdom and European Union announced sanctions against Russia. On February 24, 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine, including Russia's forces pre-positioned in Belarus. In response, the United States, United Kingdom, and European Union imposed further sanctions designed to target the Russian financial system, and thereafter a number of countries have banned Russian planes from their airspace. Further sanctions may be forthcoming, and the U.S. and allied countries have recently announced they are committed to taking steps to prevent certain Russian banks from accessing international payment systems. Russia's invasion of Ukraine, the resulting displacement of persons both within Ukraine and to neighboring countries and the increasing international sanctions could have a negative impact on the economy and business activity

globally (including in the countries in which the Fund invests), and therefore could adversely affect the performance of the Fund's investments. Furthermore, given the ongoing and evolving nature of the conflict between the two nations and its ongoing escalation (such as Russia's recent decision to place its nuclear forces on high alert and the possibility of significant cyberwarfare against military and civilian targets globally), it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to the Fund and the performance of its investments or operations, and the ability of the Fund to achieve its investment objectives.

Inflation. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets. For example, if a portfolio company is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Portfolio companies may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, a portfolio company may earn more revenue but incur higher expenses. As inflation declines, a portfolio company may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Further, certain countries, including the U.S., have recently seen increased levels of inflation and there can be no assurance that continued and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on the Fund's returns.

Risks Related to Pandemics and Other Diseases. Events such as health pandemics or outbreaks of disease may lead to increased short-term market volatility and may have adverse long-term effects on the U.S. and world economies and markets generally. For example, beginning in late 2019, China experienced an outbreak of a new and highly contagious form of coronavirus disease, COVID-19. In the ensuing months, COVID-19 spread to numerous countries and was declared a pandemic by the World Health Organization, prompting precautionary government-imposed closures and restrictions of certain travel and businesses in many countries. Given the novelty of COVID-19, it is extremely difficult to quantify the extent of its adverse impact on the global economy, in particular if it continues to spread globally. Health pandemics or outbreaks could result in a general economic decline in a given region, or globally, particularly if the outbreak persists for an extended period of time or spreads globally. This could have an adverse impact on the Fund's Investments, or the Fund's ability to source new investments or to realize its Investments. Pandemics and similar events could also have an acute effect on individual issuers or related groups of issuers and could adversely affect securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to the Fund's Investments or the Manager's operations. Additionally, the risks related to health pandemics or outbreaks of disease are heightened due to uncertainty as to whether such an event would qualify as a force majeure event. If a force majeure event is determined to have occurred, a counterparty to the Fund or an Investment may be relieved of its obligations under certain contracts to which it is a party, or, if it has not, the Fund and its Investments may be required to meet their contractual obligations, despite potential constraints on their operations and/or financial stability. Either outcome could adversely impact Investments and the Fund's performance.

Possibility of Fraud and Other Misconduct of Employees and Service Providers. Misconduct by employees of the Manager, service providers to the Manager or the Fund and/or their respective affiliates could cause significant losses to the Fund. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by the Fund, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of the Fund and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to the Fund. The Manager has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Manager will be able to identify or prevent such misconduct.

Financial Market Fluctuations. The Fund's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which the Fund operates may undergo substantial changes. There can be no assurance that such economic and market conditions will be favorable in respect of both the investment and disposition activities of the Fund. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Fund and may affect the Fund's ability to make Investments and the value of the Investments held by the Fund. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Investments and could have a negative impact on the performance and/or valuation of the Investments. The Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies, investors' risk-free rate of return and the ability of portfolio companies to refinance debt securities (including their ability to sell new securities in the public high-yield debt market or otherwise). To the extent that such marketplace events occur, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such an economic downturn could adversely affect the financial resources of corporate borrowers in which the Fund has invested and result in the inability of such borrowers to make principal and interest payments on outstanding debt when due. In the event of such default, the Fund may suffer a partial or total loss of capital invested in such companies, which could, in turn have an adverse effect on the Fund's returns. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable the Fund to sell these securities when the Manager and the General Partner believes it is most advantageous to do so, or without adversely affecting the stock price. The Fund may be adversely affected to the extent that it seeks to dispose of any of its portfolio companies into an illiquid or volatile market, and the Fund may find itself unable to dispose of Investments at prices that the Manager and the General Partner believe reflect the fair value of such Investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be

predicted. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Non-U.S. Trade Policy. If the U.S. federal government continues to make significant changes in U.S. trade policy, including imposing tariffs on certain goods and raw materials imported into the United States, such actions may trigger retaliatory actions by the affected countries, resulting in “trade wars,” which may cause increased costs for goods and raw materials imported into the United States, or in trading partners limiting their trade with businesses in the United States, either of which may have material adverse effects on a Portfolio Company’s business and operations. Such “trade wars” may cause significant losses for the Fund and/or one or more of its Portfolio Companies.

Force Majeure Risk. Investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes). Some force majeure events may adversely affect the ability of a party (including a portfolio company or a counterparty to the Fund or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to a portfolio company or the Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure 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 Fund may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to the Fund, including if its investment in such portfolio company is canceled, unwound or acquired (which could be without what the Fund considers to be adequate compensation). Any of the foregoing may therefore adversely affect the performance of the Fund and its Investments.

Risks Related to Electronic Communication. The General Partner will provide to Limited Partners statements, reports and other communications relating to the Fund and/or the Limited Partner’s Interest in electronic form, such as email or via a password protected website (“Electronic Communications”). Electronic Communications may be modified, corrupted, or contain viruses or malicious code, and may not be compatible with a Limited Partner’s electronic system. In addition, reliance on Electronic Communications involves the risk of inaccessibility, power outages or slowdowns for a variety of reasons. These periods of inaccessibility may delay or prevent receipt of reports or other information by the Limited Partner.

Cyber Security Risk. The use of the internet and cloud-computing and the dependence on computer systems to perform necessary business functions may expose investment vehicles such as the Fund, its Portfolio Companies and their service providers to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational

disruption. Successful cyber-attacks against, or security breakdowns of the Fund, the General Partner, the Manager, the Fund's Portfolio Companies and/or any of their third-party service providers may adversely impact the Fund or the Limited Partners. For instance, cyber-attacks may interfere with the processing of Limited Partner transactions, impact the Fund's ability to value its assets, cause the release of private Limited Partner information or confidential information of the Fund, impede trading, cause reputational damage, and subject the Fund to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Manager's systems to disclose sensitive information in order to gain access to the Manager's data or that of the Fund's Limited Partners. The Fund may also incur substantial costs for cyber security risk management in order to prevent any cyber incidents in the future. The Fund and the Limited Partners could be negatively impacted as a result. While the Fund or the Fund's service providers have established business continuity plans and systems designed to prevent such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities or other instruments or Portfolio Companies in which the Fund invests, which could result in material adverse consequences for such issuers, and may cause the portfolio investments therein to lose value.

Currency Exchange Risk. Capital contributions to the Fund are payable in U.S. dollars and the Fund's assets will be valued in U.S. dollars. Limited Partners subscribing for Interests in any country in which U.S. dollars are not the local currency should note that changes in the value of exchange between U.S. dollars and such currency may have an adverse effect on the value, price or income of the investment to such Limited Partner in the Fund. Additionally, a portion of the Fund's investments may be denominated in the currencies other than the U.S. dollar, and hence the value of such investments will depend in part on the relative strength of the U.S. dollar. The Fund may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between non-U.S. currencies and the U.S. dollar, as well as the transaction costs associated with converting non-U.S. currencies into U.S. dollars. Changes in non-U.S. currency exchange rates may also affect the value of dividends and interest earned, and the level of gains and losses realized on the sale of such investments. The rates of exchange between the U.S. dollar and other currencies are affected by many factors, including forces of supply and demand in the non-U.S. currency exchange markets. Exchange rates also are affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. The Fund is not obligated to engage in any currency hedging operations, and there can be no assurance as to the success of any hedging operations that the Fund may implement.

D. Risks Related to Regulatory and Legal Environment

SEC Proposed Private Funds Rule. The SEC recently announced it may propose rules requiring advisors to private equity funds to disclose certain events on a current basis. Any requirement to

monitor for and report such events may increase the compliance-related expenses of the Fund and otherwise divert the attention of Invesco's professionals from the investment objectives of the Fund. In February 2022, the SEC voted to propose new rules and amendments (collectively, the "SEC Proposed Rule") to existing rules under the Advisers Act specifically related to registered advisers and their activities with respect to certain private funds. If enacted, the SEC Proposed Rule could have a significant impact on Invesco and the Fund. In particular, the SEC has proposed to limit circumstances in which a fund manager can be indemnified by a private fund; increase reporting requirements by private funds to investors concerning performance, fees and expenses; require registered advisers to obtain an annual audit for private funds and also require such fund's auditor to notify the SEC upon the occurrence of certain material events; enhanced requirements, including the need to obtain a fairness opinion and make certain disclosures, in connection with adviser-led secondary transactions (also known as GP-led secondaries); prohibit advisers from engaging in certain practices, such as, without limitation, charging accelerated fees for unperformed services or fees and expenses associated with an examination to private fund clients and seeking reimbursement, indemnification, exculpation or otherwise limiting an adviser's liability for certain activities; and impose limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with an adviser. If adopted, including with modifications, the SEC Proposed Rule could have a significant impact on private fund advisers and their operations, including increasing compliance burdens and associated regulatory costs, reducing the ability to receive expense or indemnification reimbursements, and enhancing the risk of regulatory action, including public regulatory sanctions and may result in a change to Invesco's and/or the Fund's business practices and create additional regulatory uncertainty. Further, the adoption of the SEC Proposed Rule could also significantly increase the cost of insurance, specifically directors and officers insurance and errors and omissions insurance, or may make such insurance coverage unavailable.

Regulatory Risks. Legal, tax and regulatory changes could occur during the term of the Fund that may have an adverse impact on the Fund. In addition to the Dodd-Frank Act, new laws or revised regulations may be imposed by the Securities and Exchange Commission (the "SEC"), the U.S. Federal Reserve or other banking regulators, other governmental regulatory authorities or self-regulatory organizations that supervise the financial markets that could adversely affect the Fund. The Fund may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental regulatory authorities or self-regulatory organizations.

The Fund may invest in Investments that operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. New and existing regulations and burdens of regulatory compliance may directly impact the business and results of the operations of, or otherwise have a material adverse effect on, Investments that are subject to regulation, failure to comply with any of these laws, rules and regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines, which may have material adverse effects. Additionally, foreign investment in securities of companies in certain of the countries in which the Fund may invest is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment above certain ownership levels or in certain sectors of the country's economy and increase the costs and expenses

of the Fund. While regulation of foreign investment has liberalized in recent years throughout much of the world, there can be no assurance that more restrictive regulations will not be adopted in the future. Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales by foreign investors and foreign currency. The Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital interests and dividends paid on securities held by the Fund, and income on such securities or gains from the disposition of such securities may be subject to withholding taxes imposed by certain countries where the Fund invests or in other jurisdictions.

The regulatory environment for private investment funds is evolving, and potential changes in the regulation of private investment funds may adversely affect the value of the investments held by the Fund and the ability of the Fund to execute its investment strategy.

Absence of Regulatory Oversight. The Fund has not registered and does not intend to register with the SEC as an investment company pursuant to the Investment Company Act in reliance upon an exemption available to privately offered investment companies and, accordingly, the provisions of the Investment Company Act are not applicable to the Fund.

If the SEC or a court of competent jurisdiction were to find that the Fund is required to have, but in violation of the Investment Company Act had failed to, register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Fund could sue the Fund and recover any damages caused by the violation; and (iii) any contract to which the Fund is a party that is made in, or whose performance involves, a violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Fund be subjected to any or all of the foregoing, the Fund would be materially and adversely affected.

In addition, neither the General Partner nor the Manager is registered as a broker-dealer under the U.S. Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the “Exchange Act”) or with the Financial Industry Regulatory Authority (“FINRA”) and, consequently, neither the General Partner nor the Manager is subject to the record-keeping and specific business practice provisions of the Exchange Act and the rules of the FINRA.

United Kingdom Exit from the European Union. The United Kingdom left the European Union on January 31, 2020 (commonly referred to as “Brexit”). During an 11 month transition period, the United Kingdom and the European Union agreed to a Trade and Cooperation Agreement which sets out the agreement for certain parts of the future relationship between the European Union and the United Kingdom from January 1, 2021. The Trade and Cooperation Agreement does not provide the United Kingdom with the same level of rights or access to all goods and services in the European Union as the United Kingdom previously maintained as a member of the European Union and during the transition period. In particular the Trade and Cooperation Agreement does not include an agreement

on financial services, which is yet to be agreed. Accordingly, uncertainty remains in certain areas as to the future relationship between the United Kingdom and the European Union.

From January 1, 2021, European Union laws ceased to apply in the United Kingdom. However, many European Union laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. Depending on the terms of any future agreement between the European Union and the United Kingdom on financial services, substantial amendments to English law may occur, and it is impossible to predict the consequences on the Fund and its investments. Such changes could be materially detrimental to investors.

Although one cannot predict the full effect of Brexit, it could have a significant adverse impact on the United Kingdom, European and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax and economic uncertainty. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the United Kingdom or the European Union, including companies or assets held or considered for prospective investment by the Fund.

The future application of European Union-based legislation to the private fund industry in the United Kingdom and the European Union will ultimately depend on how the United Kingdom renegotiates the regulation of the provision of financial services within and to persons in the European Union. There can be no assurance that any renegotiated terms or regulations will not have an adverse impact on the Fund and its portfolio investments, including the ability of the Fund to achieve its investment objectives. Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities, an adverse effect on the ability of the General Partner and its affiliates to manage, operate and invest the Fund and increased legal, regulatory or compliance burden for the General Partner, its affiliates and/or the Fund, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Fund.

Areas where the uncertainty created by the United Kingdom's withdrawal from the European Union is relevant include, but are not limited to, trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks (including with respect to the regulation of alternative investment fund managers and the distribution and marketing of alternative investment funds), industrial policy pursued within European countries, immigration policy pursued within European Union countries, the regulation of the provision of financial services within and to persons in Europe and trade policy within European countries and internationally. The volatility and uncertainty caused by the withdrawal may adversely affect the value of the Fund's portfolio investments and the ability to achieve the investment objective of the Fund.

Regulation – Cayman Islands. The Fund will be registered and regulated as a private fund under section 5(1) of the Private Funds Act. In connection with its initial registration under the Private Funds

Act, the Fund will file with the Cayman Islands Monetary Authority (“CIMA”) a copy of its constitutional documents and certain details of this Memorandum, as required by the Private Funds Act. The Fund will also pay the prescribed initial registration fee. Following registration with CIMA, the Fund’s continuing obligations under the Private Funds Act will be: (i) to file with CIMA details of any changes that materially affect any information previously submitted to CIMA; (ii) to file annually with CIMA accounts audited by an approved auditor and a fund annual return; and (iii) to pay the relevant prescribed annual fee. CIMA has supervisory and enforcement powers to ensure compliance with the Private Funds Act. The Fund is not, however, subject to supervision in respect of its investment activities by CIMA or any other governmental authority in the Cayman Islands, although CIMA does have power to investigate the activities of the Fund in certain circumstances. Neither CIMA nor any other governmental authority in the Cayman Islands, has commented upon or approved the terms or merits of this Memorandum. There is no investment compensation scheme available to investors in the Cayman Islands. At any time following registration pursuant to the Private Funds Act, CIMA may instruct the Fund to have its accounts audited and to submit them to CIMA within a specified time. In addition, CIMA may ask the General Partner to give CIMA such information or such explanation in respect of the Fund as CIMA may reasonably require to enable it to carry out its duty under the Private Funds Act. CIMA shall, whenever it considers it necessary, examine, including by way of on-site inspections or in such other manner as it may determine, the affairs or business of the Fund for the purpose of satisfying itself that the provisions of the Private Funds Act and applicable anti-money laundering regulations are being complied with. The General Partner must give CIMA access to or provide at any reasonable time all records relating to the Fund and CIMA may copy or take an extract of a record it is given access to. Failure to comply with any supervisory request by CIMA may result in substantial fines. CIMA has wide powers to take certain actions if certain events occur. For instance, it has wide powers to take action if it is satisfied that a private fund: (i) is or is likely to become unable to meet its obligations as they fall due; or (ii) is carrying on business fraudulently or otherwise in a manner detrimental to the public interest or to the interests of its investors or its creditors; or (iii) is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors; or (iv) is carrying on business without complying with any condition of its registration, any provision of the Private Funds Act or of any applicable anti-money laundering regulations; or (v) is not being managed in a fit and proper manner; or (iv) has a person appointed as General Partner, manager or officer that is not a fit and proper person to hold the respective position. The powers of CIMA include, amongst others: (i) the power to require the General Partner to be replaced; (ii) the power to appoint a person, at the expense of the Fund to advise the Fund on the proper conduct of its affairs; and (iii) the power to appoint a person, at the expense of the Fund, to assume control of the affairs of the Fund, including for the purpose of terminating the business of the Fund. CIMA also has other remedies available to it including the ability to cancel the registration of the Fund and to apply to the courts of the Cayman Islands for approval of other actions.

General Data Protection Regulation. Beginning on May 25, 2018, the General Data Protection Regulation (“GDPR”) became effective across the European Union. The GDPR applies to both

“controllers” and “processors” of personal data. Under the GDPR, a “controller” determines the purposes and means of the processing of personal data, and a “processor” is responsible for processing personal data on behalf of a controller. The GDPR applies to processing activities carried out by organizations operating within the European Union, as well as to organizations that are operated outside the European Union that either (i) offer goods or services to individuals within the European Union or (ii) monitor the activities or behaviors of individuals located within the European Union. The GDPR imposes a range of new and enhanced operational requirements, including (i) transparency and accountability obligations which require organizations to demonstrate and record compliance with the GDPR and to provide detailed information to individuals regarding the processing of their personal data, (ii) obligations to consider data protection in the development of new products and services, (iii) ensuring and maintaining an appropriate level of security for personal data, and (iv) reporting data and security breaches to data protection authorities and, in some cases, affected individuals. The GDPR gives strong enforcement powers to data protection authorities in the European Union and introduces fines for non-compliance of up to 4% of an organization’s total annual worldwide turnover or EUR 20 million (whichever is higher), depending on the type and severity of the breach. Solely to the extent any personal data that relates to an individual to which the GDPR applies is processed by the Fund, the General Partner, the Manager or their respective affiliates, such individuals’ personal data will be processed in accordance with the GDPR and the Privacy Notice maintained by the Fund, the General Partner, the Manager and their respective affiliates, which is available, to the extent applicable, upon request.

Anti-Corruption Law Considerations. The Manager, the General Partner and the Fund are committed to complying with the U.S. Foreign Corrupt Practices Act (“FCPA”) and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the Fund may be adversely affected because of its unwillingness to participate in transactions that potentially violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Fund to act successfully on investment opportunities and its portfolio companies to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In particular, U.S. regulators recently have been focused on private equity firms and their compliance with the FCPA.

While the Manager has developed and implemented policies and procedures designed to ensure strict compliance by the Manager and its personnel with applicable anti-corruption and anti-bribery laws and regulations, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of the Manager’s procedures, affiliates of a portfolio company, particularly in cases where the Fund or another the Manager sponsored fund or vehicle does not control such portfolio company, may engage in activities that could result in FCPA and/or UKBA violations. Any determination that the Manager has violated the FCPA, the UKBA or other applicable anti-corruption laws or anti-bribery laws could subject us to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect the Manager’s business

prospects and/or financial position, as well as the Fund's ability to achieve its investment objective and/or conduct its operations.

Economic Sanctions Laws. Economic sanction laws in the United States and other jurisdictions may prohibit the Manager, its professionals and the Fund from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs.

The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at <<http://www.treas.gov/ofac>>. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may significantly restrict the Fund's investment activities in certain emerging market countries.

Compliance with Anti-Money Laundering Requirements. In response to increased regulatory concerns with respect to the sources of funds used in Investments and other activities, the Fund may request prospective and existing Limited Partners to provide additional documentation verifying, among other things, such Limited Partner's identity and the source of funds used to purchase interests in the Fund. The General Partner may decline to accept a prospective investor's subscription if this information is not provided or on the basis of such information that is provided. Requests for documentation may be made at any time during which a Limited Partner holds any interest in the Fund. The General Partner may be required to provide this information, or report the failure to comply with such requests, to governmental authorities, in certain circumstances without notifying the Limited Partner that the information has been provided. The General Partner will take such steps as it determines may be necessary to comply with applicable law, regulations, orders, directives or special measures that may be required by government regulators. Governmental authorities are continuing to consider appropriate measures to implement anti-money laundering laws and at this point it is unclear what steps the General Partner may be required to take; however, these steps may include prohibiting such Limited Partner from making further capital contributions to the Fund, depositing distributions to which such Limited Partner would otherwise be entitled to an escrow account and causing the withdrawal of such Limited Partner from the Fund.

U.S. Tax Reform. Changes to the tax laws, with or without retroactive application, could materially and adversely affect the Fund or its Partners. The Fund cannot predict how changes in the tax laws might affect the Fund or its Partners. New legislation, U.S. Treasury Regulations, administrative interpretations or court decisions could significantly and negatively affect the Fund or its Partners.

Base Erosion and Profit Shifting. The Organization for Economic Co-operation and Development ("OECD") together with the G20 countries have committed to reduce perceived abusive global tax

avoidance, referred to as base erosion and profit shifting (“BEPS”). As part of this commitment, an action plan has been developed to address BEPS with the aim of securing revenue by realigning taxation with economic activities and value creation by creating a single set of consensus-based international tax rules.

As part of the BEPS project, it is anticipated that new rules dealing with the operation of double tax treaties, the definition of permanent establishments, interest deductibility and how hybrid instruments and entities are taxed (amongst other recommendations) will be introduced. A number of jurisdictions participating in the BEPS project have entered into a multilateral convention which, as and when fully implemented by the relevant jurisdictions, will have the effect of modifying the application of existing bilateral treaties to implement the tax treaty measures developed under the BEPS project. Depending on how such measures are implemented and interpreted by each jurisdiction, this may, among other things, impact on the ability of some enterprises to rely on the benefit of double tax treaties concluded between relevant jurisdictions.

In addition to national implementation of BEPS, following the publication by the OECD of its BEPS recommendations, the EU Member States adopted the Directive 2016/1164/EU - the so-called anti-tax avoidance directive (“ATAD”) on July 12, 2016 to implement in the EU Member States’ domestic legal frameworks common measures to tackle tax avoidance practices. ATAD lays down: (i) controlled foreign company rules, (ii) anti-hybrid mismatches within the EU context rules, (iii) general interest limitation rules, (iv) a general anti-abuse rule, and (v) exit taxation rules. Following the adoption of ATAD, the EU Member States decided to go further as regards hybrid-mismatches with third countries, and adopted the Directive 2017/952/EU (“ATAD 2”) amending the ATAD provisions with respect to anti-hybrid mismatches, on May 29, 2017. ATAD must be implemented by the EU Member States by January 1, 2019, and ATAD 2 by January 1, 2020.

Depending on how these proposals are implemented, they may have a material impact on how returns to Limited Partners are taxed. Such implementation may also give rise to additional reporting and disclosure obligations for Limited Partners.

The European Commission published on December 22, 2021 a legislative proposal for a Directive setting forth rules to prevent the misuse of shell entities for tax purposes (“ATAD 3”). The ATAD 3 draft aims at introducing a EU-wide substance test facilitating identification of undertakings that are engaged in an economic activity but which do not have minimal substance and, in the view of the Commission, are misused for the purpose of obtaining tax advantages (shell companies). The Commission proposed that the Member States shall transpose ATAD 3 into their national laws by June 30, 2023 for the rules to come into effect on January 1, 2024.

Data Protection – Cayman Islands. The Cayman Islands Data Protection Act (the “DPA”) came into force on September 30, 2019. The DPA introduces legal requirements for the Fund based on internationally accepted principles of data privacy.

The Fund has prepared a document outlining the Fund's data protection obligations and the data protection rights of investors (and individuals connected with investors) under the DPA (the "DPA Notice"). The DPA Notice is contained within the subscription agreement.

Prospective investors should note that, by virtue of making investments in the Fund and the associated interactions with the Fund and its affiliates and/or delegates (including completing the subscription agreement, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Fund with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Fund and its affiliates and/or delegates (including, without limitation, the Administrator) with certain personal information which constitutes personal data within the meaning of the DPA. The Fund shall act as a data controller in respect of this personal data and its affiliates and/or delegates, such as the Administrator, the Manager, the Fund and others, may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Fund and/or continuing to invest in the Fund, investors shall be deemed to acknowledge that they have read in detail and understood the DPA Notice and that the DPA Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Fund. The subscription agreement contains relevant representations and warranties.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Fund could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

ECOFIN Listing of the Cayman Islands. On February 18, 2020, the Economic and Financial Affairs Council of the European Union ("ECOFIN") adopted a revised list of non-cooperative jurisdictions for tax purposes. This revised list included the Cayman Islands. Accordingly, it is possible that certain EU investors may choose not to purchase, or will have internal policies which prevent the purchase of, securities from an issuer established in the Cayman Islands, during the period that the jurisdiction is regarded by the EU as non-cooperative for tax purposes. This could have a negative impact on liquidity and/or the market value of securities. However, given that the Cayman Islands government is already in compliance with the EU criteria, it is anticipated that the Cayman Islands will be removed from the ECOFIN list later this year. The ECOFIN list of non-cooperative jurisdictions is reconsidered at least once a year, and generally at six monthly intervals.

E. *Potential Conflicts of Interests*

Various potential and actual conflicts of interest, from time to time, arise from the overall investment activities of the General Partner and the Manager. The following briefly summarizes some of these conflicts but is not intended to be an exclusive list of all such conflicts. Any references to the General Partner or the Manager (or ISSM) in this section will be deemed to include their respective affiliates, partners, members, shareholders, officers, directors and employees unless otherwise stated.

General

The Manager is a wholly owned subsidiary of Invesco. Invesco is dedicated to the investment management business. As an investment management firm, Invesco and its affiliates provide a range of investment management and other business services to their clients, some of which may result in conflicts of interest between the Fund, on one hand, and Invesco's affiliates and certain of their clients, on the other hand. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to the Fund and its ability to achieve its investment objectives. The particular circumstances described under the following headings illustrate some of the conflicts of interest that may arise. However, there can be no assurance that other conflicts of interest with the potential for adverse effects on the Fund and its investors will not arise.

Resolution of Conflicts

In the case of all conflicts of interest, the Manager's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Manager's best judgment, but in its sole discretion. In resolving conflicts, the Manager considers various factors, including the interests of the Fund with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- (1) The Manager will consider the appropriateness of an investment from the viewpoint of the Fund;
- (2) On any issue involving actual conflicts of interest, the Manager will be guided by its good faith discretion;
- (3) Where the Manager deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price and shall be entitled to rely on such advice, or for events of default, following the course of action with respect to such event of default determined by the syndicate of debt holders not affiliated with the General Partner;
- (4) Members of the investment committee may recuse themselves from any investment decision or other determination with respect to which such member has a conflict of interest (in which event, the remaining members of the investment committee may take action by a consensus of the remaining members); and
- (5) The Manager has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest.

While the Manager endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions.

Allocation of Investment Opportunities Among Clients

Certain inherent conflicts of interest arise from the fact that ISSM provides investment management services to various funds, separate accounts or other clients managed by it or other Invesco affiliates, including the Fund. While ISSM and its affiliates will seek to manage potential conflicts of interest in good faith, the portfolio strategies employed by them in managing their respective funds and accounts (for each, a “Client”) could conflict and may affect the prices and availability of investment opportunities. Conversely, participation in specific investment opportunities is expected to be appropriate, at times, for both the Fund as well as other Clients. In addition, the Manager may encounter situations in which it must determine how to allocate investment opportunities among the Fund, other Clients and other persons, which may include, but are not limited to, the following:

- The Fund and other Clients;
- Any co-investors or co-investment vehicles that have been formed to invest side-by-side with the Fund in all or particular transactions entered into by the Fund (the co-investors or investors in such co-investment vehicles which may include employees, business associates and other “friends and family” of the Manager, its affiliates or their personnel (including any related entity established by any of the foregoing, such as trusts, charitable programs, endowments or related programs, family investment vehicles and other estate planning vehicles) (collectively, “Invesco Investors”) and/or individuals and entities that are not investors in the Fund (“Third Parties”));
- Invesco Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with the Fund in particular transactions; and
- Invesco Investors and/or Third Parties acting as “co-sponsors” with the Manager with respect to a particular transaction.

Prior to making any allocation to the Fund of an investment opportunity, the Manager determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund. Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Manager may be required to offer an investment opportunity to one or more Clients.
- **Related Investments:** the Manager may offer an investment opportunity related to an investment previously made by a Client to such Client to the exclusion of, or resulting in a limited offering to, the Fund.
- **Legal and Regulatory Exclusions:** the Manager may determine that the Fund or investors in the Fund should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

The Manager decides how to allocate investment opportunities among the Fund and/or any other Client in its discretion. In making allocation decisions with respect to investment opportunities that could reasonably be expected to fit the investment objectives of the Fund or any other Client, ISSM

anticipates that it will consider a wide range of factors, which include, but are not necessarily limited to, one or more of the following:

- Each Client's investment objectives and investment focus;
- Transaction sourcing (and with respect to an investment opportunity originated by a third party, the relationship of a particular Client to or with such third party);
- Each Client's liquidity and reserves (including whether a Client is able to commit to invest all capital required to consummate a particular investment opportunity);
- Each Client's diversification (including the actual, relative or potential exposure of a Client to the type of investment opportunity in terms of its existing portfolio);
- Lender covenants and other limitations;
- Any "ramp-up" period of a newly established Client;
- Amount of capital available for investment by each Client as well as each Client's projected future capacity for investment (including whether a Client is able to invest all capital required to consummate a particular investment opportunity);
- The size, liquidity and duration of the investment;
- Each Client's targeted rate of return;
- Stage of development of the prospective investment and anticipated holding period of the investment;
- Investment yield;
- Composition of each Client's portfolio and investments as well as each Client's investment concentration parameters (including, without limitation, parameters such as geography, industry, issuer, volatility, leverage or other similar risk metrics);
- The suitability as a follow-on investment for a current investment of a Client or to upsize an existing investment;
- The use of leverage in the proposed capital structure;
- The availability of other suitable investments for each Client;
- Supply or demand of an investment opportunity at a given price level;
- Risk considerations;
- Cash flow considerations;
- The centrality of an investment to a Client's strategy;
- Asset class restrictions;
- The seniority of an investment and other capital structuring criteria;

- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax and accounting implications;
- Whether an investment opportunity requires additional consents or authorizations from the Client, investors or Third Parties;
- Whether an investment opportunity would enable a Client to qualify for certain programmatic benefits or discounts that are not readily available to other Clients including, but not limited to, the ability to enter into credit arrangements with certain financial or governmental institutions;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the organizational documents of each Client or other equitable adjustments as determined by the Manager.

The application of the investment allocation requirements of the Clients' organizational documents, and the factors set forth above, will often result in allocation on a non-pro rata basis and there can be no assurance that a Client will participate in all investment opportunities that fall within its investment objectives. In addition, a Client, including the Fund, may have a substantially smaller than desired actual allocation. The Manager makes allocation determinations based solely on the Manager's expectations at the time such investments are made, however investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another Client in hindsight. By acquiring an Interest, a Limited Partner agrees that certain investment opportunities that are suitable for the Fund may not be allocated to the Fund.

Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process. For example, in allocating an investment opportunity among Clients with differing fee, expense and compensation structures, the Manager has an incentive to allocate investment opportunities to the Clients from which the Manager or its related persons derive, directly or indirectly, higher fees, compensation or other benefits. Notwithstanding the foregoing, the Manager will not allocate investment opportunities among the Clients based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Client or (ii) the profitability of any Client. While the Manager determines how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Client's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Manager is subject, discussed herein, did not exist.

In addition, Manager personnel invest indirectly and directly in Clients and therefore participate indirectly in investments made by the entity in which they invest. Such interests will vary Client by Client and may create an incentive to allocate particularly attractive investment opportunities to the

Client in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Client.

A conflict also arises in allocating an investment opportunity if the potential investment target could be acquired by either the Fund or a portfolio company of another Client. In making such an allocation determination, the Manager will consider some one or more of the factors set forth above and will make a determination in its good faith discretion.

Allocation of Expenses

The Manager will be responsible only for its expenses incurred in providing services to the Fund pursuant to the Investment Advisory Agreement in exchange for the Management Fee. All other expenses incurred in the operation or management of the Fund will be borne by the Fund or, if paid by the General Partner, the Manager or their respective affiliates, will be reimbursed by the Fund. Such other expenses are in addition to those expenses described under “Principal Terms of the Fund—Organization and Offering Expenses” and include expenses of the types described under “Summary of Principal Terms—Operating Expenses.”

The Fund may, subject to the limitations in the Partnership Agreement, also bear its allocable portion of the compensation (including salary, bonus, payroll taxes and benefits), expenses and overhead (including rent, property taxes and utilities allocable to the workspaces as well as administrative personnel) attributable to certain employees of the Manager and its affiliates, including in-house accountants, administrators, legal, tax, compliance, leveraged purchasing, ESG (environmental, social and governance) and other professionals whose functions may also include the preparation of financial statements, investor reports (including the costs associated with providing access to a database or other internet forum for distribution of such reports), tax returns, the administration of assets and expenses of the Fund (including with respect to co-investment vehicles and feeder funds) and legal and regulatory compliance with applicable laws and regulations. Such allocations require judgments as to methodology that the Manager makes in good faith but in its sole discretion. These allocation methodologies may include: requiring personnel to periodically record and allocate their time with respect to the Fund and/or the portfolio companies; the Manager approximating the portion of time a person has spent with respect to the Fund and/or a portfolio company; the assessment of an overall dollar amount (for instance, based on a fixed fee) that the Manager believes represents a fair recoupment of expenses and a market rate for such services; and any other similar methodology determined by the Manager to be appropriate under the circumstances. Any such expenses, compensation, overhead or related costs will not generally be greater than market rates that would be paid to an unaffiliated third-party for substantially similar services. While the Manager may obtain benchmarking data regarding third party rates for similar services, relevant comparisons may not be available for a variety of reasons, including as a result of lack of a substantial market of providers or users for such service, confidentiality reasons and the bespoke nature of certain services. As a result, market comparisons may not (and often do not) result in precise comparable data for certain services.

From time to time the Manager will be required to decide whether certain fees, costs and expenses should be borne by the Fund, on the one hand, or the Manager on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among the Fund and/or other parties. Certain expenses may be the obligation of the Fund and may be borne by the Fund or expenses may be allocated among multiple Clients and other entities. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

A portfolio company will typically reimburse the Manager for expenses incurred by the Manager in connection with its performance of services for such portfolio company. To the extent not allocated to a portfolio company, the Manager will allocate fees and expenses incurred in the course of evaluating and making investments that are consummated between the Fund and any other Client in accordance with the relevant governing documents. Expenses typically reimbursed by portfolio companies include, without limitation, travel and travel-related expenses (including first-class and black car travel, and on limited occasions, charter travel), and meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals (outside normal business hours), social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (to the extent such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses. Because certain expenses are paid for by the Fund and/or its portfolio companies or, if incurred by the Manager, are reimbursed by the Fund and/or its portfolio companies, the Manager may not necessarily seek out the lowest cost options when incurring (or causing the Fund or its portfolio companies to incur) such expenses.

The appropriate allocation between the Fund and other parties of Dead Deal Costs (as defined below) will be determined by the Manager and its affiliates in their good faith discretion, consistent with the Partnership Agreement. If the Fund and one or more other Clients evaluate a potential investment that is not consummated, the Manager expects to generally allocate fees and expenses generated in the course of evaluating such investment among the Fund and such other Related Funds based on the anticipated investment of each. Such expenses typically are not allocated to co-investment vehicles or other co-investors, including to any co-investment made by the employees, managing directors and other related persons of Invesco.

The Manager, from time to time, may enter into arrangements with third-party advisers and consultants who provide services relating to deal-sourcing and investment opportunities, for which such advisers and consultants are paid compensation or other fees. Any fees and expenses associated with such investment opportunities will be allocated to the Fund, consistent with the allocation process described above.

Investing in Different Levels of the Capital Structure or Alongside Other Clients in the Same Financial Transaction

The Fund may hold interests in an entity that are of a different class or type than the class or type of interests held by other Clients. Given the differing tranches and corresponding priorities in the capital structure of a single company, the interests of the Fund may be adverse to other Clients and ISSM and its affiliates may in certain circumstances face a conflict of interest in respect of the advice given to, and the actions taken on behalf of, the Fund and other Clients, respectively (e.g., with respect to the structure and terms of the debt facilities, the enforcement of rights and remedies, and the resolution of restructurings or bankruptcies). For example, the Fund may hold senior debt securities and another Client may hold junior securities. This would potentially result in the other Client being junior to the Fund in the capital structure of such entity, which could mean that in a workout or other distressed scenario the other Client might be adverse to the Fund and the Fund may be in a position to recover all or part of its investment while the other Client might not. As another example, ISSM's Clients generally hold senior debt securities, and the Fund may hold more junior debt securities. This would potentially result in the Fund being junior to certain ISSM Clients in the capital structure of such entity, which could mean that in a workout or other distressed scenario the Fund might be adverse to the ISSM Clients and the ISSM Clients may be in a position to recover all or part of their investment while the Fund might not. In addition, where the Fund and another Client invest in different parts of the capital structure of a particular company, their respective interests may diverge significantly in the case of financial distress of the company. For example, if additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of the Fund to provide such additional financing. If such other Client had the potential to incur a loss on its investment as a result of such difficulties, ISSM's ability to recommend actions in the best interests of the Fund might be impaired. Investments by more than one Client in a company also raises the risk of using assets of the Fund to support positions taken by other Clients, or that the Fund may remain passive in a situation in which it is entitled to vote. In addition, there may be differences in timing of entry into, or exit from, a company for reasons such as differences in strategy, existing portfolio or liquidity needs. These variations in timing may be detrimental to the Fund. As another example, ISSM or other Invesco affiliates may serve as a general partner, manager or in some similar capacity of limited partnerships or other limited liability companies or similar entities organized to issue or purchase collateralized loan obligations or other types of securities secured by loans (including senior loans).

These and other investments may be deemed to create conflicts of interest, particularly because ISSM or its affiliates may take certain actions for other Clients with respect to one class of debt or equity that may be adverse to the Fund, which holds or is seeking to invest in or dispose of other classes of debt or equity of the same borrower or issuer. In such cases, ISSM and/or its affiliates will seek to act in a manner it believes in good faith to be fair and equitable to the Fund and other Clients, respectively, under the circumstances. In the event that a Client has a controlling or significantly influential position in a company, it will have the ability to elect some or all of the board of directors of such a company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Client is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in

control of such a company. Such management and operational decisions may, at times, be in direct conflict with the Fund if it does not have the same level of control or influence over the company.

Without limiting the foregoing, investors should be aware that the Fund may have conflicting interests in negotiating the terms of an investment and investing in a company if one or more other Clients has or proposes to make an investment in the same issuer, particularly where such other Client has a controlling interest in the issuer. Such negotiated terms may include, but are not limited to, the amount and nature of equity securities attached to the structured equity or subordinated debt investment, the interest rates to be paid on the structured equity or subordinated debt, the characterization of the structured equity or subordinated debt securities (whether as preferred stock or as subordinated debt), the fees and expenses to be charged to or by the Fund, and the nature of the covenants running in favor of the Fund. Furthermore, investors should be aware of the risk of equitable subordination or debt recharacterization in the event of the insolvency or bankruptcy of an issuer in which the Fund holds an investment and one or more other Clients has a controlling equity interest in the issuer.

In addition, an investment by the Fund in an entity in which another Client has a pre-existing investment (or vice versa) could be viewed, especially in hindsight, to have been made based on a non-arms-length valuation and/or may have an effect (either positive or negative) on the market price of such investment. In circumstances in which a Client makes an investment in an entity in which another Client has a pre-existing investment, such Client expects to make business decisions relating to such investment (such as, for example, financing or hedging interest rate, currency or credit risk) independently of the analogous decisions made with respect to such investment by such other Client. This may result in situations where the Fund chooses not to hedge certain risks that other Clients do hedge (or vice versa). Although the Manager will employ procedures to address such conflicts, some of which are set forth herein, there can be no assurance that such conflicts will be resolved in a manner that is most favorable to the Fund and its Limited Partners.

From time to time the Manager will, in its discretion, enter into transactions with investors in the Fund or one or more other Clients to dispose of all or a portion of certain investments held by the Fund. In exercising its discretion to select the purchaser(s) of such investments, the Manager will consider some or all of the factors listed below under "*Allocation of Co-Investment Opportunities*" and "*Allocation of Secondary Transactions*". The sales price for such transactions will be mutually agreed to by the Manager and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Manager. Although the Manager is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the Fund, taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the Fund.

The Fund may, from time to time in the future sell down an interest in its portfolio companies to co-investors. The Investment Adviser may charge (or may decide not to charge) a co-investor (such as a Limited Partner, personnel of the ISSM or a Third Party) interest costs for the time period between

the closing of the Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

From time to time, as part of a stressed or distressed debt investment, the Fund will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, the Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction as a back-stop to its stressed or distressed investment. Furthermore, in certain limited instances the Fund may also enter into limited guarantee arrangements whereby, subject to any applicable documentation, the Fund agrees that if a transaction with respect to a potential (a) portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a "reverse termination fee" to the seller entity and (b) full guarantee arrangements where the Fund agrees to close a transaction even if the debt financing for such transaction is not available or has not been funded. While certain co-investment vehicles with investments contractually tied to the Fund (including co-investment vehicles through which employees of ISSM participate) are generally obligated to pay their proportionate share of the equity purchase price and/or the reverse termination fee, such co-investment vehicles are generally not direct parties to the equity commitment arrangements or limited guarantees. Therefore, in the unlikely event that a co-investment vehicle defaults on such arrangement, the Fund would be held responsible for the entire purchase price or reverse termination fee, or obligations, as applicable.

The General Partner, the Manager and their affiliates may also have ongoing relationships with, render services to, and engage in transactions with, companies whose investments are purchased by the Fund and may own debt or equity securities issued by borrowers of senior loans. As a result, officers or affiliates of the General Partner and the Manager may possess information relating to issuers of investments which is not known to the individuals at the Manager responsible for monitoring the investments and performing the other advisory decisions under the management agreement.

Employees, managing directors and other related persons of Invesco have made and may make capital investments in or alongside the Fund or certain Clients, and therefore have additional conflicting interests in connection with these investments. Such persons may have differing interests from the Fund with respect to such investments (for example, with respect to the availability and timing of liquidity), creating conflicts of interest. There can be no assurance that the return of the Fund participating in a transaction would be equal to and not less than a Client participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Employees, managing directors and other related persons of Invesco may buy or sell securities or other instruments that the Manager has recommended to the Fund. Such persons may also buy securities in transactions offered to but rejected by the Fund. A conflict of interest may arise because such investing Invesco personnel and related persons will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Manager on behalf of the Fund. In such circumstances, the investing Invesco personnel or related persons will not share with or reimburse

the Fund and/or the Manager for any expenses incurred in connection with the investment opportunity.

In addition, employees, managing directors and other related persons of Invesco may also buy securities and hold interests as passive investors in other investment vehicles (including private equity funds, venture capital funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Fund and/or which may invest in similar industries and sectors as the Fund (including investments for purposes of sourcing future investment opportunities). Such Manager personnel have a conflict of interest with respect to their personal investment holdings. There could be situations in which such investment vehicles invest in the same portfolio companies as the Fund, and there may be situations in which such investment vehicle purchases securities from, or sells securities to, the Fund. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Fund. Such personnel may be incentivized to cause the Fund to act in a manner that benefits such other investment vehicles and indirectly, themselves as investors in such investment vehicles. The personal securities transactions of the Manager personnel are subject to the policies and procedures set forth in the Manager's code of ethics.

The Fund will, from time to time invest in opportunities that Clients have declined, and likewise, a Client may, from time to time decline to invest in opportunities in which the Fund has invested.

Allocation of Co-Investment Opportunities

The General Partner may, in its sole discretion, provide, commit to provide or grant the right to provide co-investment opportunities to one or more Limited Partners and/or other persons including the General Partner, certain employees of the General Partner and/or its affiliates, executives of companies in which the Fund's investment professionals previously have invested, been employed or otherwise been associated and family members, in each case on terms to be determined by the General Partner in its sole discretion, subject to its then-current policies and procedures regarding allocation and the Partnership Agreement. Conflicts of interest may arise in the allocation such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the General Partner in its sole discretion, may not be in the best interests of the Fund or any individual Limited Partner. There may be circumstances where the Manager determines, for strategic or other reasons, the amount that could have otherwise been invested by the Fund is instead allocated to one or more co-investors.

In general, (i) no Limited Partner has a right to participate in any co-investment opportunity and investing in the Fund does not give a Limited Partner any rights, entitlements or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Manager or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities typically will be offered to some and not other Limited Partners, in the sole discretion of the Manager or its related persons, Limited Partners may be offered a smaller amount of co-investment opportunities than originally requested and a Limited

Partner may be offered fewer co-investment opportunities than other Limited Partners with the same, larger or smaller capital commitments to the Fund, (iv) certain persons other than Limited Partners (e.g., other Clients, consultants, joint venture partners, Invesco Investors, persons associated with a portfolio company and other Third Parties, including persons who the Manager believes will provide a benefit to the Fund and/or one or more Fund investments or who provide a strategic sourcing or similar benefit to the Manager, the Fund, and/or a Fund investment and one or more of their respective affiliates, due to industry or regulatory expertise or otherwise), rather than one or more Limited Partners, will, from time to time be offered co-investment opportunities, in the sole discretion of the Manager or its related persons and (v) co-investors may purchase their interests in an investment at the same time as the Fund or may purchase their interests from the Fund after the Fund has consummated its investment (also known as a post-closing sell down or transfer). Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). Additionally, non-binding acknowledgements of interest in co-investment opportunities do not require the Manager to notify the recipients of such acknowledgements if there is a co-investment opportunity. However, the Manager from time to time agrees to give particular investors, Clients, or other third parties priority access to co-investment opportunities. The existence of such priority or other contractual co-investment access rights could affect the Manager's decision to offer certain opportunities for co-investment and could limit the ability of the Fund or Limited Partners to be offered certain co-investment opportunities.

The Manager uses its discretion in allocating co-investment opportunities and may consider some or all of a wide range of factors, which include, but are not limited to, one or more of the following:

- The Manager's evaluation of the size and financial resources of the potential co-investment party and the Manager's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources or similar synergies) to efficiently and expeditiously participate in the investment opportunity with the Fund without harming or otherwise prejudicing the Fund, in particular when the investment opportunity is time-sensitive in nature, as is typically the case (including whether the potential co-investment party has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required);
- Any confidentiality concerns the Manager has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- Whether a potential co-investment party has a history of participating in opportunities and the Manager's perception of its past experiences and relationships with that potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Manager and the expected amount of negotiations required in connection with a potential co-investment party's commitment;

- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The ability of a potential co-investment party to aid in operating or monitoring a portfolio company or the possession of certain expertise by a potential co-investment party and the potential co-investment party's relationship with the management team of the potential portfolio company and whether the potential co-investment party has any existing positions in the portfolio company;
- The extent to which a potential co-investment party has been provided a greater amount of co-investment opportunities relative to others;
- Whether the potential co-investment party would require any governance rights that would complicate the transactions (or, alternatively, whether the potential co-investment party would be willing to defer to the Manager and assume a passive role in governing a portfolio company);
- Any interests a potential co-investment party has in any competitors of the portfolio company;
- The Manager's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Manager's evaluation of whether a particular potential co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing;
- The Manager's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Fund to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of the Fund being able to capitalize on a potential investment opportunity);
- Whether the potential co-investment party will make commitments to invest in other Clients (including concurrently with the applicable co-investment); and
- Whether the Manager believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or

similar benefits) to current or future Clients and/or the Manager and whether the potential co-investment party has demonstrated a long-term and/or continuing commitment to the potential success of the current or future Clients and/or the Manager.

The factors above are not listed in order of importance or priority and the Manager is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. The Manager's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Clients, potential co-investors, Invesco Investors and Third Parties, and in the manner discussed above, often will not result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. For example, the Manager may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons (including, for example, whether the Manager and/or the applicable general partners are entitled, under arrangements made with certain potential co-investment parties, to additional management fees and/or carried interest based on the availability of co-investment opportunities offered to such parties).

In the event the Manager determines to offer an investment opportunity to co-investors, there can be no assurance that the Manager will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial, and the Fund bears the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of the Fund and as a result, may take a different view from the Manager as to appropriate strategy for an investment or may be in a position to take a contrary action to the Fund's investment objective. In the event that the Manager is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended and would bear the entire portion of any fees, costs and expenses related to such investment, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. An investment that is not syndicated to co-investors as originally anticipated could significantly reduce the Fund's overall investment returns. Therefore, it is possible that the Fund overcommits to an investment and will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

The Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a

position to take action contrary to the investment objectives of the Fund. In addition, the Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner.

Co-investment opportunities may, and typically will, be offered to some and not to other investors. When and to the extent that employees and related persons of the General Partner and its affiliates make capital investments in (directly or indirectly through the General Partner) or alongside the Fund, the General Partner and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that the Fund's return from a transaction would be equal to and not less than another investment vehicle participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Co-Investment Vehicle Expenses

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside the Fund may be formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will also generally bear its pro rata portion of expenses incurred in the making an investment.

If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction ("Dead Deal Costs") would therefore be borne by the Fund. Furthermore, if a proposed transaction is not consummated and a co-investment vehicle has been formed for the purpose of making an investment in such proposed transaction (or co-investors have otherwise committed to invest in the proposed transactions), the General Partner may, in its sole discretion, elect to charge a portion or all of the associated Dead Deal Costs to the applicable co-investment vehicle. Similarly, co-investment vehicles (and co-investors) are not typically allocated any share of break-up fees received in connection with such an unconsummated transaction. "Dead Deal Costs" may include, among other things, legal, accounting advisory, consulting or other third-party expenses, any travel and travel-related and accommodation expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investments, any break-up fees, reverse termination fees, topping, termination or other similar fees, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated.

Allocation of Secondary Transactions

In addition, to the extent the General Partner is requested to consent to a secondary transfer of interests or is asked to identify potential purchasers in a secondary transfer, ISSM's policies permit the General Partner may, in its sole discretion, take into account the following factors:

- The Manager's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Manager's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future funds and/or the Manager and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject the Manager, the Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- A potential purchaser's investment into another fund (including any commitment into a future fund);
- Requirements in the Fund's Exempted Limited Partnership Agreement; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

Cross Transactions

In certain cases, the Manager will, from time to time cause the Fund to purchase investments from a Client, or cause the Fund to sell investments to a Client. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, the Fund may not receive the best price otherwise possible, or the Manager might have an incentive to improve the performance of a Client by selling underperforming assets to the Fund in order, for example, to earn fees. The Fund may also enter into arrangements with other Clients relating to the rebalancing of certain investments at certain times and at a cost set forth in the Partnership Agreement so that the Fund and the other Clients' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund and the applicable other Client or Clients. Additionally, in connection with such transactions, the Manager, its affiliates and/or their professionals (i) will, from time to time, have significant investments, or intentions to invest, in a Client that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Manager and its affiliates generally receive management or other fees in connection with their management of the Fund and relevant Clients involved in such a transaction, and generally are entitled to share in the investment profits of the Fund and relevant Clients. To address these conflicts of interest, in connection with effecting such transactions, the Manager has policies and procedures designed to ensure that all cross

transactions are effected in the best interest of all clients involved, are consistent with ISSM's duty to obtain best execution and are in compliance with applicable laws and regulations. By acquiring an Interest, a Limited Partner will consent to all such transactions, along with the other transactions involving conflicts of interest described herein, to the fullest extent permitted by law.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Manager's management of the Fund, the Manager and its affiliates may engage in principal transactions. The Manager has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the Fund regarding any proposed principal transactions and that any required prior consent to the transaction be received.

Management of the Clients

The Manager manages a number of Clients that have investment objectives similar to each other. The Manager expects that it or its personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different (and potentially conflicting) from, those of the Fund. The Manager may give advice or take actions with respect to, the investments of one or more Clients that may not be given or taken with respect to the Fund. As a result, Clients with similar strategies will not hold the same securities or achieve the same performance. In addition, the Fund is generally not able to invest through the same investment vehicles or have access to similar credit or utilize similar investment strategies as another Client. These differences will result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that Manager personnel responsible for managing a particular Client will have responsibilities with respect to other Clients, including funds raised in the future, or to proprietary investments made by the Manager and/or its principals of the type made by the Fund. Conflicts of interest arise in allocating time, services or functions of these Manager personnel. Manager personnel have an incentive to allocate more time, services or functions to Clients from which such personnel derive a higher economic benefit and/or are better-performing Clients.

The Manager may consider and reject an investment opportunity on behalf of the Fund and the Manager, or an affiliate of the Manager, may subsequently determine to have another Client make an investment in the same company. A conflict of interest arises because the Client will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by Manager on behalf of the Fund. In such circumstances, the benefitting Client or Clients will not be

required to reimburse the Fund for expenses incurred in connection with researching such investment.

In addition, the Manager receives and generates various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics, some of which is sometimes referred to as “big data”. This information may, in certain instances, include confidential and/or sensitive information received or generated in connection with efforts on behalf of the Fund’s investment (or prospective investment) in a portfolio company. As a result, the Manager is better able to anticipate macroeconomic and other trends and financial opportunities, enhance and improve operations of portfolio companies and otherwise develop investment strategies. The Manager also intends to utilize such data for purposes of identifying new investments opportunities for the Fund. Information from an investment owned by the Fund may enable the Manager to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for the Manager and other Clients that do not own an interest in such investment, without compensation or benefit to the Fund or its investments. Portfolio companies may incur incremental expenses in collecting and organizing information requested or required to be furnished to the Manager (which expenses are indirectly borne by the Fund). The Manager is likely in the future in certain instances to use this information in a manner that may provide a material benefit to the Manager, its affiliates, or to certain other Clients without compensating or otherwise benefitting the Fund. In addition, the Manager may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Furthermore, except for (a) contractual obligations to third parties to maintain confidentiality of certain information, (b) any policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, the Manager is generally free to use data and information from the Fund’s activities in its sole discretion for the benefit of the Manager and other Clients. The Manager has in the past utilized and is likely in the future to utilize such information to benefit the Manager, its affiliates or certain other Clients in a manner that may otherwise present a conflict of interest resulting from the particular facts and circumstances, but does not intend to specifically disclose such conflicts to the Fund.

The Manager and its affiliates may also enter into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory and contractual requirements, these information sharing arrangements are designed to allow the Manager, the Clients and the Clients’ portfolio investments to better discern economic or other trends and developments. The Manager believes that all Clients (including the Fund) benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across the Manager’s businesses and the Clients’ portfolio investments. However, information sharing may involve conflicts of interest between the Clients and/or between the Clients and the Manager. For example, data analytics based on inputs from one portfolio investment may inform business decisions by other portfolio investments, or investment decisions by the Manager and its affiliates, without the source of the data being directly compensated. It is difficult, if not impossible, to measure exactly the benefits any particular entity receives from these kinds of arrangements, or to provide

specific and direct monetary compensation for such information. The Manager and its affiliates may utilize such data outside of Fund activities in a manner that may provide a material benefit to the Manager, without directly compensating or otherwise benefiting the Fund. As a result, the Manager may have an incentive to pursue investments (on its own behalf or on behalf of the Clients) based on the data that may be accessible as a result of owning such investments, and/or to utilize such data in a manner that benefits the Manager and/or investments held by other Clients.

The Fund and other Clients may, from time to time enter into borrowing arrangements that require the Fund and such other Clients to be jointly and severally liable for the obligations. If one other Client defaults on such arrangement, the Fund may be held responsible for the defaulted amount.

By reason of their responsibilities in connection with other activities of the Manager, certain Manager personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Fund will not be free to act upon any such information. Due to these restrictions, the Fund may not be able to initiate a transaction that it otherwise might have, including the sale of an investment.

Manager personnel have family members that are actively involved in industries and sectors in which the Fund invests or have business, personal, financial or other relationships with companies in such industries and sectors (including service providers) or other industries, which gives rise to conflicts of interest. For example, such family members might be officers, directors, personnel or owners of companies which are actual or potential investments of the Fund or other counterparties of the Fund and the portfolio companies. Moreover, in certain instances, the Fund or the portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with companies that are owned by such family members or in respect of which such family members have other involvement.

Manager personnel may invest in funds or other entities managed by Limited Partners, which could incentivize such Manager to afford the Limited Partner preferential or favored treatment, such as, for example, increased access to co-investment opportunities, and could create conflicts of interest to the extent such other funds compete with the Fund for investment opportunities or invest in competing portfolio companies.

Follow-on Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by the Fund in a portfolio company in which another Client has previously invested. In addition, the Fund will from time to time participate in releveraging and recapitalization transactions involving portfolio companies in which another Client has already invested or will invest. Conflicts of interest arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Furthermore, a conflict of interest also arises because a Client that participates in a follow-on investment in a portfolio company held by another Client benefits from the initial evaluation, investigation and due diligence undertaken by the Manager on behalf of the original Client and from operational or other information about such portfolio company acquired from the original Client's ownership of interests in the portfolio company. In such circumstances, such benefitting Client or Clients will not be required to reimburse the original Client for expenses incurred in connection with researching such investment. An investment by a Client in a portfolio company in which another Client invests at a later stage may be made at a higher or lower valuation than the investment in such portfolio company by such other Client and an investment by one or more other Clients in any such portfolio company may dilute the original Client's interest in such portfolio company.

The Partnership Agreement provides limitations on when the Fund and portfolio companies may buy or sell securities, assets or services to or from the General Partner, the Manager or certain interested parties of the General Partner, excepting certain transactions including those in the ordinary course of business of the Fund or such portfolio company or for transactions on arms-length terms.

Other Management Activities

The Manager, the General Partner and their affiliates (including ISSM personnel that provide services with respect to the Fund) have and may have business interests and engage in business activities in addition to those connected with the Fund, which interests and activities may be similar to or different from those of the Fund and may include acquiring interests as a partner, stockholder, or otherwise in other entities, or performing investment advisory services and management services for various investment funds, other than the Fund, and their respective investments.

For example, the Manager and affiliates of the General Partner manage several private funds and may manage other funds which invest in assets eligible for purchase by the Fund. The Fund may also participate in such investments. The Manager, the General Partner or affiliates thereof do and would receive customary compensation from other Clients, and the Limited Partners of the Fund do not and would not receive any benefit from the receipt of such compensation.

ISSM and its principals and employees may also carry on investment activities for their own accounts and for family members and friends who do not invest in the Fund. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Fund.

Invesco, including ISSM personnel, may give advice and recommend securities to other accounts or investment funds which may differ from advice given to, or securities recommended or bought for the Fund even though their investment objectives may be the same or similar. Advice given to the Fund may also differ. For example, the Manager and affiliates of the General Partner may provide financing, services, advice, or otherwise deal with third parties whose interests conflict with the interests of a company in which the Fund has invested, such as competitors, suppliers or customers of a company in which the Fund has invested. The Manager and affiliates of the General Partner may recommend, or cause such a third party to take, actions that are adverse to the Fund (and they may be adverse to each other) or the companies in which they have invested. In addition, the Manager

and affiliates of the General Partner may recommend, or cause a third party to make, investments in companies that are or may be competitive to companies that the Fund invests in and the companies in which the Fund invests may also be adverse to each other.

Conflicts of interest may arise in allocating the time, services, or functions of the ISSM personnel, the Manager or affiliates of the General Partner. In particular, subject to the Partnership Agreement, certain ISSM personnel expect to spend their business time and attention on the Fund and other Clients during their investment periods, which may span the same period, and there can be no assurance how much time each ISSM personnel will devote to the Fund as compared to other Clients. In addition, the ISSM personnel and the General Partner's investment staff will continue to manage and monitor the other Clients and their investments. At such time as the General Partner is permitted to raise a successor investment fund to the Fund, ISSM personnel will continue to manage the Fund's investments, but also may and likely will focus investment activities on other opportunities and areas unrelated to the Fund's investments.

The General Partner believes that the interest in the Carried Interest operates to align, to some extent, the interest of the General Partner and its interest-holders, including ISSM personnel, with the interest of the partners of the Fund, although ISSM personnel may have economic interests in the Fund and other Clients that may not be the same, including differing interests in management fees and carried interest relating to the Fund as compared to other Clients. The existence of Carried Interest in the Fund creates an incentive for the General Partner to cause the Fund to make more speculative investments than it would otherwise make in the absence of such interest, and may influence decisions when allocating investment opportunities, although ISSM will seek to act in a manner it believes in good faith to be fair and equitable to the Fund and other Clients, respectively, under the circumstances. In addition, the clawback obligation of the General Partner (as described below) reduces the incentive to make speculative investments or otherwise time the sale of an investment in a manner motivated by the personal benefit of General Partner interest-holders and ISSM personnel.

The General Partner may be required to return excess amounts of carried interest as a "clawback". This clawback obligation may create an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of the Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

Conflicts Relating to Service Providers

ISSM may also, from time to time, employ personnel with pre-existing ownership interests in investments owned by the Fund or other investment vehicles advised by ISSM or another Invesco affiliate; conversely, former personnel or executives of the Invesco affiliates or their family members may serve in significant management roles at Fund issuers, portfolio companies or service providers recommended by the Invesco affiliates, including services during the due diligence and acquisition process. Such service providers are, in certain circumstances, investors in the Fund or affiliates of such investors and may include, for example, investment or commercial bankers, outside legal counsel

pension consultants and/or other investors who provide services (including mezzanine and/or other lending arrangements). The engagement of any such service provider may be concurrent with an investor's admission to the Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as the Manager may give such investor preferred economics or other terms with respect to its investment in the Fund, enhanced information or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. Similarly, ISSM affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities engage in transactions with and/or provide services (including services at reduced rates) to, ISSM affiliates, and/or the Fund or other investment vehicles they advise. The Manager may have a conflict of interest with the Fund in recommending the retention or continuation of a third-party service provider to the Fund or the Fund issuer or portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in a Client, will provide the Invesco affiliates information about markets and industries in which ISSM affiliates operate (or are contemplating operations), will provide other services that are beneficial to the Invesco affiliates and/or will provide financial sponsorship of events held by the Manager (such as transaction closing dinners or outings, or informational summits or training events for the Manager or portfolio company personnel).

Where former Manager employees become employees, officers or directors of, or otherwise are engaged by, third-party service providers that provide services to the Manager, the Fund and/or portfolio companies, while such employees were employed by the Manager, the cost of the compensation, benefits and attributable overhead provided to these individuals are paid by the Manager unless the Fund's Agreements permit certain allocations of internal expenses to the Fund. If a former Manager employee becomes an employee or consultant of a third party that also provides services to the Fund, such former Manager employee may be assigned by such third party to provide services to that account. In such instance, the cost of the third-party service provider attributable to the former Manager employee working on the Fund will be borne entirely by the Fund and no such amounts will reduce the Management Fee paid or the Carried Interest distributed by the Fund on the basis that such person used to be a former Manager employee.

In the event Manager personnel, and/or their family members or relatives, have ownership, employment, or other economic or other interests in certain service providers, these relationships can influence the Manager in determining whether to select or recommend such service provider to perform services for the Fund or a portfolio company. Although the Manager selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the Fund), there is a possibility that the Manager, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

The Fund may, from time to time in the future, pay a fee to an investment bank with respect to a particular transaction which fee may, in whole or in part, reflect a payment to the investment bank for finding deals for the Manager and/or Clients in the future.

As a result, the Fund paying the fee to the investment bank may not receive the benefit of the future deals sourced by the investment bank and the other Client to which a deal is allocated will not be required to reimburse the Fund for such fee.

Services required by the Fund (including some services historically provided by the Manager or its affiliates to the Fund) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties or licensed software, in each case in the discretion of the Manager or its affiliates. This can create a conflict of interest because the Manager and its affiliates have an incentive to outsource such services at the expense of the Fund to, among other things, leverage the use of the Manager's personnel. Such services may include, without limitation, deal sourcing, asset management, information technology, licensed software, depository, data processing, client services relations, administration, custodial, marketing and marketing-reviews, valuation, trading, compliance, human resources, corporate secretarial, accounting, legal and tax support, director services and other similar services. Outsourcing may not occur universally for the Fund and other Clients and accordingly, certain costs may be incurred by the Fund for a third-party service provider that are not incurred for comparable services by other Clients. The decision by the Manager to initially perform a service for the Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future and the Manager has no obligation to inform the Fund or Limited Partners of such change. In addition, certain internal service providers (such as internal accountants) may "shadow" or otherwise review the reports of other services provided by such third parties. The costs and expenses of any such third-party service providers will be borne by the Fund.

In addition, service providers often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by the Manager, its affiliates or their personnel differ from those required by the Fund and/or its portfolio companies, the Manager, its affiliates and their personnel will pay different rates and fees than those paid by the Fund and/or its portfolio companies.

The Manager or its affiliates may engage certain service providers (including law firms) on behalf of the Fund and personnel of such service provider have in the past and may in the future be, seconded to the Manager or its affiliates on a temporary basis or serve in an internship capacity, pursuant to various arrangements including at cost or at no cost. The Manager is, from time to time, a beneficiary of these arrangements as well. Such personnel may provide under certain circumstances services in respect of multiple matters, including in respect of matters related to the Manager, its affiliates and/or portfolio companies and in any such circumstances, the benefits or costs of any such personnel will be allocated to the Manager's discretion taking into consideration the usage of such personnel. The Management Fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. In such circumstances, a conflict of interest exists because the Manager or its affiliates have an incentive to select one service provider over another on the basis that the Manager or its affiliates may receive the benefit of seconded employees from such service provider, particularly where the compensation and expenses for such personnel during the secondment is borne by the service provider and not the Manager or its affiliates.

The Manager and the Fund will generally engage common legal counsel and other service providers in a particular transaction, including a transaction in which there may be conflicts of interest (e.g., cross transactions and other affiliated transactions). Members of the law firms engaged to represent the Fund may be investors in the Fund and may also represent one or more portfolio companies or investors in the Fund. In the event of a significant dispute or divergence of interest between the Fund, the Manager and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Manager and its affiliates, and in litigation and other circumstances, separate representation may be required.

Additionally, the Manager and the Fund and the portfolio companies of the Fund will, from time to time, engage common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Manager, its personnel, the Fund, and/or the portfolio companies. As a result, the Manager or its personnel may receive a more favorable rate on services provided to it by such a common service provider than the rates payable by the Fund and/or the portfolio company, or may receive a discount on services even though the Fund and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Manager and its personnel, on the one hand, and the Fund and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Manager will favor the engagement or continued engagement of such persons if it, or its personnel, receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Fund and/or the portfolio companies. Neither the Fund nor the Limited Partners will receive the benefit of any such favorable rate or discount provided to the Manager, its personnel or its affiliates, and the Management Fee will not be reduced in connection with such favorable rate or discount.

Certain Amounts Do Not Offset Management Fees; Fees Based on Invested Capital

The General Partner and its affiliates may, in its sole discretion (but, for the avoidance of doubt, shall not be required to), earn directors' fees, origination fees, monitoring fees, commitment fees, transaction fees, closing fees, break-up fees, as well as fees and/or compensation for services including advising on, valuing, structuring, negotiating and arranging for financing for transactions, in addition to other similar fees in connection with the provision of capital for Investments. It is expected that advisory fees, structuring fees, origination fees, monitoring fees, credit facility modification fees and other fees of similar nature will be paid directly to the Fund (such fees, "Other Fees"). The amount and timing of Other Fees received by the General Partner or Manager are generally specified in the agreement or other documentation governing the applicable transaction. For purposes of calculating any Management Fee offset, Other Fees are net of out-of-pocket costs and expenses incurred by the General Partner or Manager in connection with consummated or unconsummated transactions or in connection with generating any such fees. Other Fees are often substantial and may be paid in cash, in securities of the portfolio companies or investment vehicles (or rights thereto) or otherwise. If paid to the General Partner or the Manager, the Management Fee payable by a Limited Partner will generally be reduced by an amount equal to 100% of such Limited Partner's pro rata share of such fees to the extent received and retained by the General Partner, Manager or their affiliates in

connection with the Fund. The payment of Other Fees by portfolio companies will, in some, but not all, circumstances create a conflict of interest between the General Partner, Manager and their affiliates, and the Fund and the Limited Partners because the amounts of these Other Fees and reimbursements below are often substantial and the Fund and the Limited Partners generally do not have a direct interest in these fees and reimbursements. The General Partner or Manager determines the amount of these Other Fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements cannot (except in connection with the reductions described herein) be disclosed to Limited Partners.

Additionally, a portfolio company will typically reimburse the General Partner for investment-related expenses, including without limitation, travel and travel-related expenses, meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (to the extent such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses, incurred by the Manager in connection with its performance of services for such portfolio company. Such reimbursed expenses are generally not included in the definition of "Other Fees" under the terms of the applicable organizational documents of each client, and such reimbursements do not reduce the Management Fee. As used throughout this brochure, "travel and travel-related" expenses shall be deemed to include, without limitation, commercial and non-commercial transportation costs (including chartered, private plane, first class or business class travel and private car travel), lodging and accommodations.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by the Manager, are reimbursed by a Fund and/or its portfolio companies, the Manager may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Furthermore, pursuant to the Partnership Agreement, certain amounts received by the General Partner or other person from an issuer or portfolio company (a) as payment for services provided to any issuer or portfolio company in the ordinary course of such issuer's or portfolio company's business or (b) as compensation for services provided by the General Partner or other person as an employee of or in a similar capacity for, such issuer or portfolio company, will not offset any Management Fees payable by the Fund and will not otherwise be shared with the Fund or the Limited Partners. Such amounts for services may, at the discretion of the General Partner taking into account the particular services, include a profits or equity interest in an issuer or portfolio company or other incentive-based compensation, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the service provider, a

percentage of the value of the investment, the invested capital exposed to such investment, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. The General Partner may determine or strongly influence the amount of such payments or compensation that it or its affiliates receive, and it may be substantial. Such amounts received by the General Partner and its affiliates may create a conflict with respect to the interests of the Fund if such fees are not sufficiently supported by benefits received by issuers or portfolio companies. Certain decisions made by the Principals may be influenced by this conflict of interest, including decisions with respect to the amount of such fees. In addressing such conflicts, the General Partner seeks to act in a fair and equitable manner consistent with its fiduciary duties to the Fund. The payment of Other Fees by portfolio companies will, in some, but not all, circumstances create a conflict of interest between the General Partner, Manager and their affiliates, and the Fund and the Limited Partners because the amounts of these Other Fees and reimbursements below are often substantial and the Fund and the Limited Partners generally do not have a direct interest in these fees and reimbursements. The General Partner or Manager determines the amount of these Other Fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements cannot (except in connection with the reductions described herein) be disclosed to Limited Partners.

In addition, companies that the Fund has made Investments in may be counterparties or participants in agreements, transactions or other arrangements with issuers or portfolio companies of other Clients that, although Invesco determines to be consistent with the requirements of such fund's governing agreements, may not have otherwise been entered into but for the affiliation with the Manager and/or Invesco, and which may involve fees and/or servicing payments to the Manager and/or Invesco-affiliated entities which will not be subject to the Management Fee offset provisions as described above and in Section VIII - "*Principal Terms of the Fund - Management Fee.*"

Also, because there is a fixed investment period after which capital from investors in the Fund may only be drawn down in limited circumstances and because Management Fees are based upon capital invested by the Fund, this fee structure may create an incentive to deploy capital when the General Partner may not otherwise have done so.

Conflicting Investor Interests

Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one Limited Partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment and tax objectives of the Fund and its Partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

The General Partner may, in its sole discretion, designate certain Partners, as "affiliated partners" based on several factors including the amount, and timing, of commitments to the Fund, and

perceived strategic benefits to the Fund and/or the Manager. Such affiliated partners may be exempted from all or some portion of the carried interest and/or the Management Fee.

The General Partner may be presented with opportunities to seek financing and other services in connection with the Fund's Investments from certain Limited Partners or their affiliates that are engaged in the lending business or other businesses, respectively. This has the potential to subject the General Partner to conflicts of interest, because although the General Partner selects lending and other service providers that it believes are aligned with its operational strategies and will enhance investment performance and, relatedly, returns of the Fund, the General Partner may have an incentive to pursue financing and other opportunities with certain Limited Partners because of its financial or other business interest, including a Limited Partner's historical or potential future relationship with the General Partner and Fund investments made or to be made by a Limited Partner. There is a possibility that the General Partner, because of a belief that a Limited Partner will invest or continue to invest in one or more investment funds managed by the General Partner or any of its affiliates, or for other reasons, may favor the retention or continuation of lending or other services from such Limited Partner even if better rates and/or quality of service could be obtained from another person. Whether or not the General Partner has a relationship or receives financial or other benefit from recommending a particular Limited Partner for lending or other services, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at a lower cost.

Fund Level Borrowing

The Fund may from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses and liabilities, to pay management fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion. If the Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all Limited Partners in the Fund on a pro-rata basis, including the General Partner. The Fund will also utilize subscription facilities to benefit co-investment parties. For example, the Fund will borrow to fund a co-investment party's pro rata share of an investment or expense related to an investment. While the Manager expects that all parties (including the General Partner and any co-investment party) will bear its pro rata share of the interest expenses but not necessarily origination and other costs allocable to the extension of credit, the Fund will bear a disproportionate amount of the credit risk in incurring the debt on behalf of the other parties.

In addition, credit facilities for the Fund are available to provide borrowed funds directly to the Investments of the Fund, in which case such borrowed funds would be guaranteed by the Fund. In such instances the Fund would bear the sole liability for the borrowed funds in the event of a default, and as a result, such portfolio company and any of its other investors (including direct investments by

the General Partner and any co-investor, including Invesco Investors or co-investment vehicles) benefit from the credit risk taken by the Fund's guarantee.

To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally make correspondingly later capital contributions, but the Fund will bear the expense of interest on such borrowed funds. As a result, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and generally make net IRR calculations higher than they otherwise would be without fund-level borrowing as these calculations generally depend on the amount and timing of capital contributions. It is expected that the interest will accrue on any such outstanding borrowings at a lower rate than any preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the Fund. Thus, while the Fund will bear the expense of borrowed funds, such borrowings can also increase the Carried Interest received by the General Partner, or will result in the General Partner receiving carried interest earlier than it would otherwise have, by decreasing the amount of distributions from the Fund that are required to be made to Fund investors in satisfaction of any preferred return. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner may receive disproportionate benefits from such borrowings.

To the extent a subscription facility is due upon demand by a lender (such as upon an event of default or otherwise), such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of such liquidity constraints and/or investors facing similar capital calls in multiple funds (including Limited Partners in the Fund) and being unable to satisfy all such demands simultaneously. The batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. Moreover, the existence of a subscription facility may impair a Limited Partner's ability to transfer its interest in the Fund as a result of restrictions imposed on such transfers by the lender.

Borrowing by the Fund will generally be secured by Commitments made by the Limited Partners to the Fund and/or by the Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Fund may cause the realization of Unrelated Business Taxable Income.

Diverse Membership

The investors in the Fund are expected to include institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors generally relate to or arise from, among other things, the nature of investments made by the Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Manager or its affiliates, including with respect

to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Fund, the Manager and its affiliates will consider the investment and tax objectives of the Fund, not the investment, tax or other objectives of any investor individually.

Positions with Portfolio Companies

In connection with a control-investment, employees of the Manager serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflict with those of the Fund, it is expected that generally the interests will be aligned. For instance, such positions could impair the ability of the Fund to sell the securities of an issuer in the event a director receives material non-public information by virtue of the director's role, which would have an adverse effect on the Fund. Furthermore, a Manager employee serving as a director to a portfolio company owes a fiduciary duty to the portfolio company, on the one hand, and the Fund, on the other hand, and such Manager employee may be in a position where they must make a decision that is either not in the best interest of the Fund or is not in the best interest of the portfolio company. Manager employees serving as directors may make decisions for a portfolio company that negatively impact returns received by the Fund investing in the portfolio company. In addition, to the extent an employee serves as a director on the board of more than one portfolio company, such employees' fiduciary duties among the two portfolio companies may create a conflict of interest. Certain decisions made by a director may subject the Manager, its affiliates or the Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Fund will indemnify the Manager and Manager employees from such claims. Such employees are required to remit any remuneration they may receive as directors to the Fund via offset. In addition, employees of the Manager have in the past, and may in the future, on occasion leave the employment of the Manager or its affiliates and become an officer or employee of a portfolio company. Employees are prohibited from receiving consulting, management or other fees personally from portfolio companies.

From time to time employees of the Manager may also be asked to serve as directors of, or observers with respect to, certain entities in which the Fund has fully exited its ownership interest and/or following the termination of such employee's employment with the Manager. In such circumstances, any compensation or fees received with respect to such exited investment and/or by such former employee is not subject to the Management Fee offset described above, or otherwise shared with the Fund and/or investors.

In connection with co-investment opportunities, some co-investors (which may include one or more investors in the Fund) are often provided with the opportunity to serve on the board of directors or board of advisors of the applicable portfolio company. Positions on the board of directors or board of advisors of such portfolio companies provide such co-investors with voting rights, access to information and the ability to potentially influence the operations and decision-making of the

portfolio company that are not available to other investors in the Fund. In certain cases, co-investors have contractual rights that require the approval of the co-investors for certain major actions relating to the applicable portfolio company, such as a sale of the company or the issuance of additional equity by the company. Such rights may limit the ability of the Manager to take actions with respect to the portfolio company that the Manager considers to be in the best interests of the Fund. In addition, to the extent an employee continues to serve as a director of, or an observer with respect to, a portfolio company in which the Fund has fully exited its ownership interest, the retention of such positions will be subject to the Manager's internal policies and procedures, including with respect to reporting of outside business activities.

Side Letter Agreements

The Manager or the General Partner may enter into certain side letter arrangements on behalf of the Fund with certain investors in the Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures and other preferential economic rights, information and reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, co-investment rights, certain rights or terms necessary in light of particular legal, regulatory or policy requirements of a particular investor, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, modification of representations, indemnification and/or liability and other obligations, veto rights and liquidity or transfer rights. Except as otherwise agreed with an investor, the Manager (or the General Partner) is not required to disclose the terms of side letter arrangements with other investors in the Fund. Also, investors will have no recourse against the Fund, the General Partner, the Manager or their respective affiliates in the event that certain investors receive additional or different rights or terms pursuant to such side letters, some of which rights may impact the rights and/or increase the obligations of other investors. In addition, side letter arrangements with certain investors in the Fund impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet certain legal, tax, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by the Fund.

Other Conflicts

The Manager and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in "miles" or "points" or credit in loyalty/status programs to the Manager and/or its personnel, and such benefits, rewards and/or amounts (whether or not *de minimis* or difficult to value) will exclusively benefit the Manager and/or such personnel even though the cost of the underlying service is being borne by the Fund, its investors and/or the portfolio companies. Any such benefits, rewards and/or amounts will not be subject to the offset arrangements described above or otherwise shared with the Fund, its investors

and/or the portfolio companies. In addition, airline travel incurred as a Fund expense for Manager personnel travelling for appropriate Fund-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Fund-related matter) may benefit such Manager personnel to the extent the trip also serves a personal purpose.

The Manager has in the past and may, in its discretion, in the future have, and may, in its discretion, cause the Fund and/or its portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Manager. The Fund and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Manager and the Fund (or its portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Manager may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

The Manager has in the past and may, from time to time in the future, cause the Fund and one or more other Clients to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the Fund and applicable other Clients, the applicable general partner, the Manager and/or their respective directors, officers, employees, agents, representatives and other indemnified parties, against liability in connection with the activities of the Fund and the Other Clients. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by the Manager that cover the Fund and one or more other Clients and/or the Manager (including their respective directors, officers, employees, agents, representatives and other indemnified parties). The Manager will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among the Fund and one or more other Clients, and/or the Manager on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in the Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

The Manager may, from time to time, require, cause or invite the Fund and/or a portfolio company to make contributions to charitable initiatives, or other non-profit organizations that the Manager believes could, directly or indirectly, enhance the value of the Fund’s investments, assist in completing an investment or otherwise serve a business purpose for, or be beneficial to, the Fund or their investments. Such contributions could be designed to benefit employees of a portfolio company, the community in which a portfolio company operates or a charitable cause essential to, or consistent with, the business purpose of a portfolio company. In certain instances, such charitable initiatives could be sponsored by, affiliated with or related to current or former employees of the Manager, portfolio company management teams, advisors, service providers, vendors, joint venture partners, and/or other persons or organizations associated with the Manager, the Fund or the portfolio companies. These relationships could influence the Manager’s decision whether to require, cause or invite the Fund or the portfolio companies to make charitable contributions. Further, from time to time, such charitable contributions by the Fund or the portfolio companies could supplement or

replace charitable contributions that the Manager would have otherwise made. Also, in certain instances, the Manager may, from time to time, select a service provider or other counterparty to the Fund or its investments based, in part, on the charitable initiatives of such person where the Manager believes such charitable initiatives could, directly or indirectly, enhance the value of the Fund's investments or otherwise be beneficial to the portfolio companies.

The General Partner is permitted to cause the Fund to distribute the General Partner's share of securities resulting from an investment disposition by the Fund to the General Partner or its affiliates (including managing directors and employees) in kind, while disposing of limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the Limited Partners. This ability creates conflicts of interest between the General Partner and the Limited Partners, because the General Partner has an incentive to cause the Fund to exit an investment at a time that may result in Limited Partners receiving a lesser return on such investment than would be the case if the General Partner was prohibited from receiving its proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as Limited Partners). The General Partner is particularly incentivized to receive distributions in-kind of securities that it expects to increase in value, and in cases where the increase occurs, if the Limited Partners received cash distributions instead of in-kind distributions, the Limited Partners would be denied the benefits of that increase had the Fund retained the securities and the General Partner would receive more value from the securities than it would have had its carried interest been paid in cash. Furthermore, the General Partner, or its affiliates, may receive distributions in kind from an investment disposition. In the event the General Partner, or its affiliates, receive such a distribution, the General Partner will generally act in its own interest with respect to its share of securities and may determine to sell the distributed securities (which may include selling its securities prior to the time at which the investor sells its distributed securities), or hold on to the distributed securities for such time as the General Partner shall determine. The ability of the General Partner to act in its own interest with respect to such distributed shares creates a conflict of interest between the General Partner or affiliate, as an adviser to the Fund, and the Fund.

The General Partner is permitted to withhold information from certain Limited Partners in certain circumstances. For instance, information will typically be withheld from Limited Partners that are subject to Freedom of Information Act or similar requirements. The General Partner may also elect to withhold certain information to such Limited Partners for reasons relating to the General Partner's public reputation or overall business strategy, despite the potential benefits to such Limited Partners of receiving such information.

The foregoing list of risk factors and conflicts of interests do not purport to be a complete enumeration or explanation of the risks and/or conflicts of interests, as applicable, involved in an investment in the Fund. Prospective investors should read this entire Memorandum and consult with their own advisers before deciding whether to invest in the Fund. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

X. Certain Legal and Tax Considerations

A. Certain U. S. Federal Income Tax Considerations

The following is a brief summary of certain U.S. federal income tax considerations relating to an investment in the Fund. This discussion is based on the Code, existing and proposed U.S. Treasury Regulations promulgated thereunder and administrative and judicial interpretations thereof, each as in effect and available at the date hereof, all of which are subject to change (possibly on a retroactive basis). No tax rulings have been or are anticipated to be requested from the IRS or any other taxing authorities with respect to any of the tax matters discussed herein. Accordingly, there can be no assurance that any tax position taken in connection with the Fund will not be successfully challenged by the IRS. This discussion is necessarily general and does not apply to certain categories of investors that may be subject to special tax rules, such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, dealers or traders in securities or currencies, persons that will hold interests as part of a “hedging” or “conversion” transaction or as a position in a “straddle” for U.S. federal income tax purposes, persons that have a “functional currency” other than the dollar or those investors who do not hold their Interests as “capital assets” within the meaning of Section 1221 of the Code, or accrual method taxpayers subject to special tax accounting rules as a result of their use of financial statements. In addition, the following discussion does not consider alternative minimum tax consequences, U.S. federal estate and gift tax consequences or any non-U.S., state or local tax consequences with respect to the purchase, ownership or disposition of an interest in the Fund. The actual tax consequences of the purchase and ownership of Interests will vary depending upon an investor’s circumstances. This discussion does not constitute tax advice and is not intended to substitute for tax planning.

For purposes of this discussion, a “U.S. Person” or a “U.S. Investor” is an individual who is a citizen or resident of the United States, a corporation or partnership organized in or under the laws of the United States or any political subdivision thereof, an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or a trust if (i) it is subject to the primary supervision of a court within the United States and one or more U.S. Persons have the authority to control all substantial decisions of the trust, or (ii) with respect to certain qualifying trusts, it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. Person. A “Non-U.S. Person” is a person that is not a U.S. Person, and a “Non-U.S. Investor” is an investor that is not a U.S. Person.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds an interest in the Fund, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax adviser as to its consequences.

EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISER WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME TAX CONSEQUENCES OF THE PURCHASE AND OWNERSHIP OF INTERESTS IN THE FUND.

THIS DESCRIPTION IS LIMITED TO THE U.S. FEDERAL INCOME TAX OR ISSUES DESCRIBED HEREIN. IT IS POSSIBLE THAT ADDITIONAL CIRCUMSTANCES MAY EXIST THAT COULD AFFECT THE U.S. FEDERAL TAX TREATMENT OF AN INVESTMENT IN THE INTERESTS, OR THE MATTER THAT IS THE SUBJECT OF THE DESCRIPTION NOTED HEREIN, AND THIS DESCRIPTION DOES NOT CONSIDER OR PROVIDE ANY CONCLUSIONS WITH RESPECT TO ANY SUCH ADDITIONAL CIRCUMSTANCES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

Classification of the Fund

The Fund intends to be classified as a partnership for U.S. federal income tax purposes. In certain cases under Section 7704 of the Code, a partnership that is classified as a “publicly traded partnership” may be taxed as a corporation for U.S. federal income tax purposes. The following discussion is based on the assumption that the Fund will not be treated as a publicly traded partnership.

Taxation of Fund Operations Generally

As a partnership for U.S. federal income tax purposes, the Fund will generally not pay U.S. federal income taxes, but each investor will be required to include that investor’s distributive share (whether or not distributed) of the Fund’s income, gains, losses, deductions and credits. It is possible that investors could incur U.S. federal income tax liabilities without receiving from the Fund sufficient distributions to defray such tax liabilities. Tax information will be delivered to all investors as soon as reasonably practicable after the end of each taxable year.

The General Partner (or its designee) will be designated as the Fund’s “partnership representative”. A partnership’s designated “partnership representative” has broad authority to resolve a partnership audit and any such resolution will be binding on all partners. Partners will have no statutory right to notice nor to participate in the audit proceeding.

The U.S. audit procedures for partnerships require underpayments of tax to be determined and paid at the partnership level following any adjustment to the partnership’s items of income, gain, loss, deduction or credit. The amount of any underpayment is generally computed based on the highest tax rate applicable to an individual, corporation, trust or estate, but a partnership may claim a reduction in the amount of the underpayment based on amended returns of partners who opt to file, the types of income adjusted (e.g., capital gains and qualifying dividend income) and the tax rates applicable to specific partners (e.g., non-U.S. persons, individuals, corporations, tax-exempt organisations). In general, any such underpayment will be an expense of the partnership in the year it is paid or accrues (not the reviewed year to which the adjustment relates) and any payments made by the partnership will be non-deductible, and will be allocated to and borne by the investors. Subject to rules and procedures to be finalized by the IRS, a partnership will be permitted to elect to have a partnership adjustment taken into account by the persons who were partners in the year to which the adjustment relates. If the election is made, each investor will be required to take into account such adjustment at the investor level and will also be required to pay any interest and penalties. There

can be no guarantee that the Fund will make any particular election with respect to any partnership audit.

Taxable U.S. Investors

Character and timing of income

The Fund's income and gains, if any, may consist of ordinary income, short-term capital gains and/or long-term capital gains. Accordingly, investors should not expect that any portion of any taxable income of the Fund will necessarily consist of long-term capital gains taxable to individuals at reduced rates or qualified dividend income taxable at long-term capital gains rates. The Fund's taxable losses (if any) may consist of long-term and short-term capital losses, the deductibility of which is subject to certain limitations. The investments of the Fund, including certain investments and hedging transactions, may result in the Fund being subject to special tax rules (including, among others, Section 988 of the Code (relating to non-U.S. currency transactions), Section 1276 of the Code (relating to market discount obligations), "short sale" rules, "wash sale" rules, "straddle" rules, "mixed straddle" rules, "contingent payment debt instrument" rules, Section 1256 of the Code (relating generally to marking to market of certain futures and other contracts), conversion transaction rules, partner-to-partnership and partner-to-partner disguised sale rules, Section 1259 of the Code (constructive sale rules) and Section 305 of the Code (distribution of stock and stock rights)) that may defer or disallow taxable losses or accelerate taxable income, cause investors to recognize taxable income in excess of economic income, cause adjustments in the holding periods of securities, convert long-term capital gains into short-term capital gains or ordinary income, convert short-term capital losses into long-term capital losses or result in recharacterization that could affect the timing or character of income, gain, deduction or loss. In particular, the Fund's gains from certain investments might be recharacterized as ordinary income. Moreover, under current law, accrual basis taxpayers must generally recognize income for U.S. federal income tax purposes no later than when such income is recognized for purposes of an "applicable financial statement," including a financial statement prepared in accordance with the generally accepted accounting principles, which may cause the acceleration of recognition of certain kinds of income, including income from debt obligations with market discount.

Under certain circumstances, adjustments in the conversion ratios of convertible stock or notes and the existence of accreting dividends or redemption premiums on preferred stock may give rise to deemed dividend income. In addition, the Fund's investments in certain debt obligations or derivatives may include "original issue discount." In such case, the Fund will generally be required to include a portion of such discount in its taxable income on a current basis, and allocate such income to the investors, even though receipt of such amounts by the Fund may occur in a subsequent tax year. The Fund may purchase investment units and, if a portion of the purchase price is allocated to the non-debt portion of such units (e.g., warrants), the debt instrument purchased may also be deemed to have original issue discount. Similar rules may apply to certain preferred stock (whether acquired as part of an investment unit or, in certain cases, otherwise). All such income must be reported for U.S. federal income tax purposes even though no cash with respect thereto is received by the Fund.

Certain of the Fund's investments may be in entities treated as partnerships for U.S. federal income tax purposes, and as such, investors must take into account their distributive interests of such entities' income, gains, losses, deductions, credits and items of tax preference. Consequently, the nature of the Fund's income, gains, losses, deductions, credits and items of tax preference will largely depend on the activities and holdings of such partnerships and references to the Fund's tax items, activities and holdings herein generally include the tax items, investments and activities realized, held or conducted, as applicable, by the Fund directly or through such partnerships. An investor's tax liability relating to the Fund may exceed amounts distributed to such investor in a particular year.

Investments in debt securities

The Fund may acquire notes and other debt instruments for less than their face amount (including as a result of a portion of the acquisition price thereof being attributable to warrants or other securities received in connection with such acquisition). The amount of the discount will generally be treated as "original issue discount" ("OID") for debt instruments purchased at original issuance, or "market discount" for instruments purchased in the secondary market. The OID which accrues with respect to a debt instrument will be allocated by the Fund to its investors who generally must report such allocations as current interest income although the Fund will generally not receive payments corresponding to this income until the maturity of or the disposition by the Fund of the debt instrument. Market discount which accrues need not be included in income by a U.S. Investor until maturity or disposition of the debt instrument, but in such case, a U.S. Investor will be unable to deduct some or all of its share of any interest expense incurred by the Fund to purchase or carry the instrument until the market discount is included in income. Alternatively, the Fund may elect to include such market discount in income as it accrues, in which case any interest expense incurred to purchase or carry the instrument would be deductible. Regardless, taxable income from OID and from accrued market discount will be taxed as ordinary income.

Taxable income from OID and market discount recognized by a U.S. Investor with respect to a debt instrument while held by the Fund will result in appropriate adjustments in any gain or loss recognized upon a sale, exchange or repayment of such obligations. Furthermore, any transactions to restructure or modify the terms of a debt instrument held by the Fund may result in a taxable gain, if such transactions do not qualify as non-taxable reorganizations.

The Fund may sell or otherwise dispose of certain of its debt instruments. If the relevant partnership is treated as an investor, any gain or loss would be treated as capital gain or loss. Capital losses are subject to a number of significant limitations. The Fund may (or may be deemed to) directly extend loans to companies, in which case the Fund might be treated as in a lending business, or may otherwise be treated as engaged in a trade or business in connection with its debt investment activities. If the Fund is treated as in a trade or business, any gain or loss realized in connection with such trade or business would be taxable as ordinary income and loss rather than as capital gain or loss. The U.S. federal income tax rates for individuals with respect to ordinary income are higher than those for long-term capital gains.

No Deduction for Certain Expenses

Non-corporate taxpayers may be unable to deduct their respective shares of certain expenses of the Fund with respect to taxable years beginning prior to January 1, 2026. Those expenses include investment advisory fees, management fees and certain other deductions (collectively, “Aggregate Investment Expenses”). For taxable years beginning after January 1, 2026, an individual taxpayer and certain trusts and estates that hold interests in the Fund (directly or through a partnership, Subchapter S corporation, or grantor trust) may deduct such expenses in a taxable year only to the extent they exceed 2% of the taxpayer’s adjusted gross income, but only if the investor itemizes deductions. In addition, for taxable years beginning on or after January 1, 2026, in the case of individuals whose adjusted gross income exceeds a certain inflation adjusted threshold, the aggregate itemized deductions otherwise allowable for the year will be reduced, but not by more than 80%, by an amount equal to 3% of the excess of adjusted gross income over the applicable threshold (this limitation being applied after giving effect to the 2% limitation described above and any other applicable limitations).

Whether a U.S. Investor will be subject to the foregoing limitation depends upon whether the relevant partnership is determined to be a “trader” or “investor”, which depends upon the nature and extent of that partnership’s trading and investment activities. Such determination will be made by the General Partner for each taxable year of a partnership, and the IRS may take a contrary position. The inability for a non-corporate taxpayer to deduct its Aggregate Investment Expenses will apply where the relevant partnership is treated as an investor for U.S. federal income tax purposes, but generally will not apply where the relevant partnership is treated as a trader for U.S. federal income tax purposes.

The Fund may (or may be deemed to) directly extend loans to companies, in which case the Fund may be treated as in a lending business (see discussion below). Alternatively, the Fund could be treated as engaged in other trades or businesses in connection with its debt investments. In such case, part or all of the Fund’s expenses allocated to a U.S. Investor may not be subject to the deductibility limitation discussed above. However, the Fund intends to take the position that it is not engaged in such trades or businesses.

Certain expenses incurred in connection with the offer and sale of the Interests are not deductible by any U.S. Investor.

Limitations on the deductibility of expenses and losses

A U.S. Investor in the Fund is restricted from taking into account losses in excess of such U.S. Investor’s adjusted tax basis (but such excess may be carried forward and used against any increases in basis). The Code further limits the deductibility of losses by certain taxpayers (such as individuals and certain closely-held corporations) from a given activity to the amount for which the taxpayer is “at risk” in the activity.

Passive activity losses

It is possible that the Fund may engage in activities to which the “passive activity loss” provisions of the Code would apply. As a result, a U.S. Investor’s share of any losses from the Fund may be subject to disallowance under the passive activity loss limitations. On the other hand, a U.S. Investor who is subject to the passive loss provisions may not be able to offset income and gain from the Fund against any losses that are subject to the passive activity loss limitations.

Limitation on deduction of investment interest

Interest expense incurred by a U.S. Investor (other than a corporation) to purchase or carry its interests in the Fund and its allocable interest of interest expense incurred by the Fund may be subject to the “investment interest” limitations on deductibility. “Investment interest” is deductible only to the extent of net investment income (i.e., investment income less investment expenses). In general, investment interest which cannot be deducted for any year because of the foregoing limitation may be carried forward and allowed as a deduction in a subsequent year to the extent the taxpayer has net investment income in such year.

Limitation on deduction of business interest expense

The Code imposes a limitation on the amount of business interest that can be deducted by a taxpayer. Specifically, Section 163(j) of the Code provides that a taxpayer’s deduction for net “business interest expense” (which excludes investment interest expense) is limited to the sum of their “business interest income,” 30% of “adjusted taxable income,” and certain interest relating to dealer financing of motor vehicles. Adjusted taxable income is defined to generally include trade or business income, subject to various other adjustments. Amounts disallowed under this provision generally can be carried forward. In the partnership context, the limitation is generally applied at the partnership level with any disallowed interest allocated to partners and usable by the partners against certain income subsequently allocated to them by the partnership. The IRS has defined business interest expense broadly to include any amount properly allocable to a trade or business (with certain exceptions) that is paid, received or accrued for the use or forbearance of money pursuant to an arrangement treated as debt rather than equity for U.S. federal income tax purposes, including, but not limited to, certain amounts earned or paid in respect of certain swaps. Disallowed business interest can be carried forward to future years, subject to the limitations described in this paragraph. In the case of any partnership, this business interest limitation is generally calculated at the partnership level, with any disallowed interest allocated to partners and usable by the partners against certain income subsequently allocated to them by the partnership.

Excess business losses

With respect to taxable years beginning prior to January 1, 2029, taxpayers other than corporations are not permitted to deduct “excess business losses,” very generally defined to be net losses attributable to trades or business of the taxpayer that exceed certain threshold amounts. In the case of partnerships, the limitation is applied at the partner level and each partner must take into account

its allocable share of partnership income, gain, deductions and losses from trades or businesses of the partnership for purposes of calculating its excess business loss, if any. The limitation on deductibility of excess business losses is applied after the limitation on passive losses described above. The limitations on deductions of “excess business losses” may limit the deductibility of certain of the Fund’s losses. Any losses disallowed as a result of this limitation may be carried forward to future years, subject to certain limitations. Taxpayers should discuss the application of these tax rules with their tax advisors.

Investments in passive foreign investment companies and controlled foreign corporations

The Fund may invest in a company that is treated as a passive foreign investment company (“PFIC”) or a controlled foreign corporation (“CFC”) with respect to any U.S. Investor. Any such investment may cause a taxable U.S. Investor to recognize taxable income prior to such investor’s receipt of distributable proceeds, pay an interest charge on receipts that are deemed to have been deferred, recognize ordinary income that otherwise would have been treated as capital gain, and/or be subject to additional reporting requirements.

Any U.S. Investor may, if such person otherwise qualifies to do so, and if certain financial information is provided by the PFIC, elect to treat its interest in a PFIC as a “qualified electing fund” (“QEF”) under the Code, in which case each U.S. Investor subject to such election would be required to include in income each year a portion of the ordinary earnings and net capital gains of the QEF, even if not distributed to such person. To the extent any U.S. Investor is eligible for and timely and properly elects to treat its interest in any PFIC as a QEF, the interest charges and general re-characterisation of capital gains as ordinary income referenced above would not apply to such U.S. Investor. In some cases, a “mark-to-market” election may be available in addition to or in lieu of a QEF election. Such mark-to-market election will only be available with respect to PFIC shares that qualify as “marketable stock”. To the extent that a non-U.S. corporation is treated as a CFC with respect to any investor, the CFC rules and not the PFIC rules will apply with respect to such investor.

There can be no assurance that the Fund will be able to obtain information necessary for a U.S. Investor to make a QEF election within the meaning of section 1295 of the Code with respect to any such PFIC. Recently proposed regulations, if finalized, and any future guidance, may affect the taxation and reporting obligations of partners of partnerships that invest in CFCs and PFICs. Taxable U.S. Investors should consult their own tax advisors.

U.S. foreign tax credits

Subject to applicable limitations on foreign tax credits, a U.S. Investor that is subject to U.S. federal income taxation generally may elect to treat foreign taxes withheld from such investor’s share of the Fund’s dividend and interest income as foreign income taxes eligible for credit against such investor’s U.S. federal income tax liability. Similarly, each U.S. Investor’s share of any foreign taxes which may be imposed on capital gains or other income realized by the Fund generally should be treated as creditable foreign income taxes. The rules regarding foreign tax credits are complex, however, and may operate to limit the availability or use of foreign tax credits, depending on each U.S. Investor’s

particular circumstances. Because of these limitations, U.S. Investors may be unable to claim a credit for the full amount of their proportionate shares of any foreign taxes paid by the Fund. U.S. Investors that do not elect to treat their shares of foreign taxes as creditable generally may claim a deduction against U.S. taxable income for such taxes (subject to applicable limitations on losses and deductions). Because the availability of a credit or deduction depends on the particular circumstances of each U.S. Investor, U.S. Investors are advised to consult their own tax advisers.

3.8% Medicare contribution tax

A U.S. Investor that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on their “net investment income” to the extent their income exceeds certain threshold amounts. Investors are advised to consult their tax advisers regarding the possible implications of this additional tax on their investment in the Fund in light of their particular circumstances.

U.S. federal income tax reporting by U.S. Investors that are owners of non-U.S. entities

U.S. tax rules impose information reporting requirements on U.S. persons that own, either directly or indirectly under certain attribution rules, more than certain threshold amounts of interests in non-U.S. entities. These persons must disclose, among other things, various transactions between themselves and those non-U.S. entities. For purposes of these information reporting requirements, ownership is determined with regard to certain attribution rules.

An investor may be subject to certain reporting requirements that may require such investor to file information returns with the IRS with respect to certain direct or indirect transfers of cash or property to a non-U.S. partnership if, immediately after the transfer such investor owns, directly or indirectly or by attribution, a 10% or greater interest in the non-U.S. partnership, or the investor and persons related to such investor have transferred directly or indirectly, cash and/or property in excess of \$100,000 to the non-U.S. partnership within a 12-month period. The acquisition, disposition or a proportional change in the ownership of an interest in a non-U.S. partnership could also trigger reporting requirements for investors in certain other circumstances.

In addition, U.S. Investors (including Tax-Exempt Investors) who acquire, directly or indirectly, a 10% or greater interest (by vote or value) in a non-U.S. corporation must report acquisitions or dispositions of, or proportional changes in, their interests in such non-U.S. corporation. U.S. Investors who have transferred, directly or indirectly, cash in excess of \$100,000 to a non-U.S. corporation within a 12-month period also may be subject to reporting requirements. Annual information reports may be required to be filed by one or more investors (including Tax-Exempt Investors) each of whom owns a 10% interest (by vote or value) in any entity treated as a corporation for U.S. federal income tax purposes and who alone or together “control” the entity. The Fund has not committed to provide any information that may be needed to complete any such reporting requirements. Investors (including Tax-Exempt Investors) should consult with their own tax advisers with respect to these reporting requirements.

In addition, direct and indirect U.S. shareholders of a PFIC are generally required to file an annual information return with the IRS on IRS Form 8621 (regardless of whether that U.S. shareholder has received a distribution from, disposed of an interest in, or made an election in respect of the PFIC). Investors are urged to consult their own tax advisers with respect to this reporting requirement.

Investors could be subject to substantial civil and criminal penalties for failure to comply with these reporting requirements. In addition, the statute of limitations with respect to an investor may remain open with respect to such investor's entire tax return if the investor were to fail to comply with these requirements. Investors should consult their tax advisers to determine the applicability of these reporting requirements in light of their individual circumstances.

U.S. tax shelter rules

The Fund may engage in transactions or make investments that would subject the Fund, its investors and/or its "material advisers", as defined in section 301.6112-1(c)(1) of the U.S. Treasury Regulations, to special rules requiring such transactions or investments by the Fund or investments in the Fund to be reported and/or otherwise disclosed to the IRS, including to the IRS's Office of Tax Shelter Analysis (the "Tax Shelter Rules"). A transaction may be subject to reporting or disclosure if it is described in any of several categories of transactions, which include, among others, transactions that result in the incurrence of a loss or losses exceeding certain thresholds or that are offered under conditions of confidentiality. Although the Fund does not expect to engage in transactions solely or principally for the purpose of achieving a particular tax consequence, there can be no assurance that the Fund will not engage in transactions that trigger the Tax Shelter Rules. In addition, an investor may have disclosure obligations with respect to its Fund interest if the investor (or the Fund in which it invests, in certain cases) participates in a reportable transaction. Although such rules are generally expected to apply to investors in entities treated as partnerships for U.S. federal income tax purposes, they may also apply, in some cases, to investors in CFCs and/or PFICs that have made a QEF election. Investors should consult their own tax advisers about their obligation to report or disclose to the IRS information about their investment in the Fund and participation in the Fund's income, gain, loss, deduction or credit with respect to transactions or investments subject to these rules. In addition, pursuant to these rules, the Fund may provide to its advisers identifying information about the Fund's investors and their participation in the Fund and the Fund's income, gain, loss, deduction or credit from those transactions or investments, and the Fund or its advisers may disclose this information to the IRS upon its request. Significant penalties may apply for failure to comply with these rules.

Tax-Exempt U.S. Investors

Unrelated business taxable income

U.S. Investors that are generally exempt from U.S. federal income taxation under Section 501(a) of the Code (including private pension plans within the meaning of Section 401(a) of the Code) ("Tax-Exempt Investors") are nevertheless subject to U.S. federal income tax on any income that constitutes UBTI.

UBTI is defined generally as any income derived from a trade or business regularly carried on by a Tax-Exempt Investor which is unrelated to its tax-exempt purposes. A Tax-Exempt Investor will be treated as engaged in an unrelated trade or business if it carries on an unrelated trade or business directly or if it is a partner in a partnership which engages in such a trade or business. If the Fund is treated as engaged in a trade or business in connection with its debt investment activities, some or all of the Fund's income from these activities could be treated as UBTI in certain circumstances. Alternatively, Tax-Exempt Investors could be treated as engaged in an unrelated trade or business if the Fund holds equity interests in an entity classified as a partnership for U.S. federal income tax purposes that is engaged in a trade or business. The Fund may also generate UBTI if it directly or indirectly operates or sells at a profit property that has been acquired through foreclosure, or if it is treated as holding loans primarily for sale to customers in the ordinary course of business.

In addition, as hereinafter more fully discussed, income derived by a Tax-Exempt Investor generally will be treated as UBTI if such income is derived from property with respect to which there is "acquisition indebtedness" (as hereinafter defined), including if the Tax-Exempt Investor is a partner in a partnership that has itself incurred acquisition indebtedness. In general, interest, dividends, gains from the sale or exchange of capital assets, and certain other types of passive income are excluded from UBTI. However, all or a portion of any income which is derived from property with respect to which there is acquisition indebtedness ("Debt-financed Property") at any time during the taxable year will be treated as UBTI. In addition, all or a portion of any gain realized from the disposition of property during the 12-month period following the repayment of any acquisition indebtedness with respect to such property generally will be treated as UBTI. In general, acquisition indebtedness means the unpaid amount of any indebtedness incurred or continued to acquire the Debt-financed property. Therefore, if a Tax-Exempt Investor were to incur indebtedness in order to acquire its interest in the Fund, all or a portion of any income or gain attributable to such investments generally could be treated as UBTI. Furthermore, repurchase agreements, under certain conditions, may be characterized as secured loans, the proceeds of which could be used to acquire assets that would, therefore, give rise to debt-financed UBTI, and the IRS may take the position that certain of the Fund's investments in derivative instruments should be reclassified in a manner that gives rise to UBTI.

If the Fund generates UBTI, a Tax-Exempt Investor generally would be required to file a tax return with the IRS and could incur tax liability on such Tax-Exempt Investor's allocable share of that UBTI. Any Tax-Exempt Investor that recognizes UBTI will be required to compute such UBTI separately for each line of unrelated business if such Tax-Exempt Investor has more than one unrelated trade or business, which may limit the ability of a Tax-Exempt Investor to offset its unrelated business taxable income or losses, if any, attributable to an investment made by the Fund against its unrelated business taxable income or losses from certain of its other activities (including, potentially, another investment made by the Fund). The characterization of certain income of the Fund as UBTI may depend in part on the nature of the underlying investments made by entities treated as partnerships in which the Fund may invest.

In addition to the above, certain U.S. institutions of higher education may be subject to a 1.4% excise tax on investment income earned in respect of their interest in the Fund.

There are special considerations that should be taken into account by certain beneficiaries of charitable remainder trusts that invest in the Fund. Tax-Exempt Investors and charitable remainder trusts should consult their own tax advisers concerning the possible effects of UBTI on their own tax situations as well as the general tax implications on an investment in the Fund, including concerning the tax consequences of such an investment on their beneficiaries.

Non-U.S. Investors

The Fund intends to take the position that it is not treated as engaged in a U.S. trade or business on account of the Fund's Investments in broadly syndicated loans, and in stressed and distressed debt, and associated workout activities. However, there can be no assurances in this regard and there is no guarantee that the IRS will not take the view that the Fund is engaged in a U.S. trade or business on account of lending activity or on account of the Fund's activities in connection with workouts as described above under *Investment Philosophy and Strategy* above. Alternatively, the Fund could be treated as engaged in a U.S. trade or business if it holds equity interests in an entity classified as a partnership for U.S. federal income tax purposes that is engaged in a U.S. trade or business.

If the Fund were engaged in, or deemed to be engaged in, a U.S. trade or business, Non-U.S. Investors would also be deemed to be so engaged by virtue of their ownership interests in the Fund. In that event, a Non-U.S. Investor would be required to file a U.S. federal income tax return for such year and pay tax on its income and gain that is effectively connected with that U.S. trade or business at the tax rates applicable to similarly situated U.S. persons. Any Non-U.S. Investor that is a corporation for U.S. federal income tax purposes may be required to pay a branch profits tax equal to 30% of the dividend equivalent amount for the taxable year. The Fund would also be required to withhold taxes on any income and gain effectively connected with a U.S. trade or business that is allocable to that Non-U.S. Investor under Section 1446 of the Code, and withholding may also apply upon any disposition or deemed disposition by a Non-U.S. Investor of its interest in the Fund.

Even assuming that the Fund is not engaged in, or deemed to be engaged in, a U.S. trade or business, Non-U.S. Investors invested in the Fund will be subject to a 30% U.S. withholding tax (or a lower applicable tax treaty rate) on the gross amount of their allocable share of the Fund's income that is (i) U.S. source interest income that falls outside the portfolio interest exception or other available exception to withholding tax, (ii) U.S. source dividend income or dividend equivalent payments, and (iii) any other U.S. source fixed or determinable annual or periodical gains, profits, or income.

If an investment of the Fund is expected to generate income that is effectively connected with the conduct of a U.S. trade or business, the Fund may hold such investment through an alternative investment vehicle structure that is structured so as to hold such investment through a U.S. entity treated as a corporation for U.S. federal income tax purposes (a "Blocker"), although there can be no assurance that the Fund will do so. Such Blocker would be subject to U.S. federal income tax (and applicable state tax) on its income. In addition, any distributions made by a U.S. Blocker and treated as dividends would generally be subject to a 30% U.S. withholding tax subject to applicable treaty claims. Expenses (including taxes) associated with any Blocker will be borne by the investors, and for the avoidance of doubt, will not be taken into account in calculating Carried Interest.

Compliance with FATCA

Very generally and with a few limited exceptions, pursuant to Sections 1471-1474 of the Code and the U.S. Treasury regulations, current and future IRS guidance issued thereunder, and the terms of any intergovernmental agreement (an “IGA”) and any implementing legislation or rules (collectively, “FATCA”), if a Partner fails to meet the information, diligence, reporting and/or other requirements that are mandated by FATCA and any current and future guidance issued with respect thereto, certain U.S. source income (including, among other types of income, dividends and interest) and, possibly under future regulations, certain non-U.S.-source income paid to such Partner will be subject to a 30% withholding tax. The Fund intends to withhold under FATCA on such payments to a Partner if such Partner fails to provide the Fund with sufficient information, documentation and other materials necessary for the Fund to be in compliance with and to determine whether such Partner is in compliance with (or meets an exception from) the requirements mandated by FATCA and any current or future guidance issued with respect thereto.

In addition, the Fund and any other non-US investment vehicle established by the Fund, if any, will likely be treated as a foreign financial institution as defined under FATCA (an “FFI”) and would be subject to a 30% withholding tax on such payments and potentially non-U.S. source payments unless such FFI qualifies for an exception, complies with an intergovernmental agreement and/or timely enters into and continues to comply with a valid agreement with the U.S. Secretary of the Treasury in which such FFI agrees to obtain and verify certain information from each of its investors and comply with annual reporting requirements with respect to certain direct or indirect U.S. investors. The Fund intends to comply with the requirements of the Cayman Islands IGA, as enacted into law in the Cayman Islands.

Such FFIs are also likely to be required to comply with the OECD “common reporting standard” (“CRS”) depending on their jurisdiction of organization. The Fund will be subject to, and intends to comply with, CRS as enacted in the Cayman Islands. Limited Partners in the Fund will be required to provide identifying information to the Fund in order for such FFIs to correctly classify the Limited Partner for purposes of FATCA and/or CRS, which information may be provided to the IRS and/or applicable tax authorities.

The Fund (or any applicable alternative or feeder vehicle) may take such action as it considers necessary in accordance with applicable law in relation to a Partner’s Interest in the Fund (or any applicable alternative or feeder vehicle) to ensure that any withholding tax borne by the Fund (or any applicable alternative or feeder vehicle), and any related costs, interest, penalties and other losses and liabilities suffered by the Fund (or any applicable alternative or feeder vehicle), the General Partner, the Manager, any other investor or any agent, delegate, employee, director, officer or affiliate of any of the foregoing persons, arising from such Partner’s failure to provide information to the Fund (or any applicable alternative or feeder vehicle), is economically borne by such Partner.

The Fund (or any applicable alternative or feeder vehicle) is allowed to disclose information provided by a Partner to the IRS or other parties as necessary to comply with FATCA or CRS. Certain non-U.S.

jurisdictions may impose similar information, diligence, and/or reporting requirements on a Partner with respect to amounts allocated or distributed to the Partner as a result of the Partner's investment in the Fund (or any applicable alternative or feeder vehicle).

Withholding pursuant to FATCA is currently in effect with respect to certain U.S. source payments. Withholding on foreign passthru payments will not be effective prior to the date that is two years after final U.S. Treasury Regulations have been issued defining the term foreign passthru payment. All prospective investors are urged to consult their own tax advisors about the requirements imposed by FATCA and other similar regimes and the effect that such requirements have on investors.

Withholding tax on disposition by Non-U.S. Investors

A Non-U.S. Investor that disposes of an interest in an entity treated as a partnership for U.S. federal income tax purposes will, in certain cases (particularly where the partnership is treated as engaged in a U.S. trade or business for U.S. federal income tax purposes), be subject to a withholding tax. This is not intended to be an additional tax for investors, however, there can be no assurances as to the ability of investors to receive a refund of their share of any over-withheld amounts. Prospective investors should consult their own tax advisors regarding the ability to obtain refunds of any over-withheld amounts and any withholding obligations an investor may have if being admitted to the Fund after its closing.

Tax Elections

The Fund may make various elections for U.S. federal income tax purposes which could result in certain items of income, gain, loss, deduction and credit being treated differently for tax and accounting purposes, such as an election under Section 754 of the Code. There can be no assurance that the Fund will or will not make any such election.

All prospective investors should consult their own tax advisers regarding the non-U.S. and U.S. federal, state and local income tax implications of an investment in the Fund.

B. U.S. Securities Laws

Securities Act of 1933

The Interests offered hereby are "securities," as defined in the Securities Act, and state securities laws. The Securities Act provides, among other things, that no sale of any securities may be made except pursuant to a registration statement which has been filed with the SEC and has become effective, unless such sale (or the security sold) is specifically exempted from registration. State securities laws have analogous provisions.

The Interests have not been registered under the Securities Act. This Memorandum has not been reviewed by the SEC, nor has the SEC or any state securities commission or regulatory authority approved, passed upon or endorsed the merits of this offering. The offering and proposed sale of

Interests described herein will be made privately only to investors who are not “U.S. Persons” (as defined in Regulation S promulgated under the Securities Act).

Interests may not be transferred by a Limited Partner except in compliance with the Partnership Agreement and all applicable federal and state securities laws. Such compliance may require one or more filings with federal and state authorities. Neither the Fund nor the General Partner has any obligation to assist with or participate in any such filing. The written consent of the General Partner, which may be withheld in its sole discretion, is required for any such transfer.

Investment Company Act of 1940

It is anticipated that the Fund will be exempt from the registration requirements of the Investment Company Act. The offering and proposed sale of Interests described herein will be made privately only to investors who are not “U.S. Persons” (as defined in Regulation S promulgated under the Securities Act).

If the SEC or a court of competent jurisdiction were to find that the Fund is required to have, but in violation of the Investment Company Act had failed to, register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Fund could sue the Fund and recover any damages caused by the violation; and (iii) any contract to which the Fund is party that is made in, or whose performance involves, a violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Fund be subjected to any or all of the foregoing, the Fund would be materially and adversely affected.

If a non-U.S. regulatory or governmental authority or court of competent jurisdiction were to find that the Fund is required to have become registered or authorized where required under local law to do so, possible consequences include, but are not limited to, the following: (i) the competent regulatory or governmental authority could take enforcement action against the Fund; (ii) investors in the Fund could sue the Fund and recover any damages caused by the violation; and (iii) any contract to which the Fund is party that is made in, or whose performance involves, a violation of the relevant local laws would be unenforceable by any party to the contract.

Investment Advisers Act of 1940

The Manager is registered as an investment adviser under the Advisers Act in connection with the Closing of the Fund. As a registered investment adviser, the Manager is required to file a Form ADV with the SEC. Form ADV contains information about assets under management, types of fee arrangements, types of investments, potential conflicts of interest, and other relevant information regarding the Manager. A copy of Part 1A and Part 2A of the Manager’s Form ADV is available on the SEC website (www.adviserinfo.sec.gov) and a copy of Part 2A of the Manager’s Form ADV will be available to investors upon request.

Limited Partners will not be treated as clients of the Manager by virtue of their investment in the Fund and to the extent available under applicable law, the Manager intends to treat the Fund as its client

for all purposes under the Advisers Act and other applicable laws and regulations. This means that required disclosures by the Manager (e.g., those in its Form ADV) will be made to the General Partner, not to the Limited Partners, and that any necessary consent (e.g., to transactions in which the Manager's affiliates act as principal or as a broker or consents to any "assignment" of a contract) may, subject to certain limitations in the Partnership Agreement, be given by the General Partner on behalf of the Fund and the Limited Partners.

Commodity Exchange Act

The Manager is exempt from registration with the U.S. Commodity Futures Trading Commission ("CFTC") as a commodity pool operator ("CPO") with respect to the Fund pursuant to CFTC Rule 4.13(a)(3) because of the Fund's limited trading in commodity interests. Therefore, unlike a registered CPO, the Manager is not required to deliver to Limited Partners a disclosure document or a certified annual report, as such terms are used in the CFTC's rules.

C. Other Legal Considerations

Anti-Money Laundering - General

The Fund recognizes the importance of guarding against the use of the Fund for money laundering activities. It is the policy of the Fund to conduct its business in a manner consistent with all applicable anti-money laundering laws and regulations, and to conduct its business activities in a manner designed to prevent money laundering activity to be transacted by or through the Fund, thereby safeguarding the interests of the Fund investors. In furtherance of this policy, the General Partner expects to require each investor to represent and warrant to the Fund that no consideration that such investor contributes to the Fund shall be derived from, or related to, any activity that is deemed criminal under United States law or shall cause the Fund or General Partner to violate any applicable anti-money laundering laws and regulations, and that such investor will provide to the General Partner any additional information regarding the investor or the investor's funds that the General Partner deems necessary or appropriate to ensure compliance with applicable anti-money laundering laws and regulations. If at any time it is discovered that any such representations by an investor are incorrect, or if otherwise required by applicable anti-money laundering law or regulation, the General Partner may in its sole discretion undertake appropriate actions to ensure compliance with applicable anti-money laundering laws and regulations, including but not limited to freezing, segregating or redeeming the investor's subscription in the Fund.

Anti-Money Laundering – Cayman Islands

In order to comply with legislation or regulations aimed at the prevention of money laundering the Fund is required to adopt and maintain anti-money laundering procedures, and may require prospective investors to provide evidence to verify their identity, the identity of their beneficial owners/controllers (where applicable) and source of funds. Where permitted, and subject to certain conditions, the General Partner may also rely upon a suitable person for the maintenance of its anti-

money laundering procedures (including the acquisition of due diligence information) or otherwise delegate the maintenance of such procedures to a suitable person (a “Relevant AML Person”).

The General Partner, or the Relevant AML Person on the General Partner’s behalf, reserve the right to request such information as is necessary to verify the identity of a prospective investor and the identity of their beneficial owners/controllers (where applicable). Where the circumstances permit, the General Partner, or the Relevant AML Person on the General Partner’s behalf, may be satisfied that full due diligence may not be required at subscription where a relevant exemption applies under applicable law.

In the event of delay or failure on the part of the prospective investor in producing any information required for verification purposes, the General Partner, or the Relevant AML Person on the General Partner’s behalf, may refuse to accept the application, or if the application has already occurred, may suspend or redeem the interest, in which case any funds received will, to the fullest extent permitted by applicable law, be returned without interest to the account from which they were originally debited.

The General Partner, or the Relevant AML Person on the General Partner’s behalf, also reserve the right to refuse to make any redemption or distribution payment to a holder of the Fund’s interests if the General Partner or the Relevant AML Person on the General Partner’s behalf suspect or are advised that the payment of redemption or distribution proceeds to such interest holder may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund or the Relevant AML Person with any applicable laws or regulations.

The Authority has a discretionary power to impose substantial administrative fines upon the Fund in connection with any breaches by the Fund of prescribed provisions of the Anti-Money Laundering Regulations (2018 Revision) of the Cayman Islands, as amended and revised from time to time, and upon the General Partner and/or any director or officer of the General Partner who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Fund, the Fund will bear the costs of such fine and any associated proceedings.

If any person in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering or is involved with terrorism or terrorist financing and property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands (“FRA”), pursuant to the Proceeds of Crime Law (2019 Revision) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the FRA pursuant to the Terrorism Law (2018 Revision) of the Cayman Islands if the disclosure relates to involvement with

terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Investors may obtain details (including contact details) of the current AML Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer of the Fund by contacting the Manager.

Regulation – Cayman Islands

The Fund will be registered as a private fund under section 5(1) of the Private Funds Act within twenty-one days after acceptance of Commitments and will therefore be regulated under that law.

In connection with its initial registration under the Private Funds Act, the Fund will file with CIMA a copy of its constitutional documents and certain details of this Memorandum, as required by the Private Funds Act. The Fund will also pay the prescribed initial registration fee.

Following registration with CIMA, the Fund's continuing obligations under the Private Funds Act will be: (i) to file with CIMA details of any changes that materially affect any information previously submitted to CIMA; (ii) to file annually with CIMA accounts audited by an approved auditor and a fund annual return; and (iii) to pay the relevant prescribed annual fee.

CIMA has supervisory and enforcement powers to ensure compliance with the Private Funds Act. The Fund is not, however, subject to supervision in respect of its investment activities by CIMA or any other governmental authority in the Cayman Islands, although CIMA does have power to investigate the activities of the Fund in certain circumstances. Neither CIMA nor any other governmental authority in the Cayman Islands, has commented upon or approved the terms or merits of this Memorandum. There is no investment compensation scheme available to investors in the Cayman Islands.

At any time following registration pursuant to the Private Funds Act, CIMA may instruct the Fund to have its accounts audited and to submit them to CIMA within a specified time. In addition, CIMA may ask the General Partner to give CIMA such information or such explanation in respect of the Fund as CIMA may reasonably require to enable it to carry out its duty under the Private Funds Act. CIMA shall, whenever it considers it necessary, examine, including by way of on-site inspections or in such other manner as it may determine, the affairs or business of the Fund for the purpose of satisfying itself that the provisions of the Private Funds Act and applicable anti-money laundering regulations are being complied with. The General Partner must give CIMA access to or provide at any reasonable time all records relating to the Fund and CIMA may copy or take an extract of a record it is given access to.

Failure to comply with any supervisory request by CIMA may result in substantial fines. CIMA has wide powers to take certain actions if certain events occur. For instance, it has wide powers to take action if it is satisfied that a private fund: (i) is or is likely to become unable to meet its obligations as they fall due; or (ii) is carrying on business fraudulently or otherwise in a manner detrimental to the public interest or to the interests of its investors or its creditors; or (iii) is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors; or (iv) is carrying on business without complying with any condition of its registration, any provision of the Private Funds Act or of any applicable anti-money laundering regulations; or (v) is not being managed in a fit and proper manner; or (iv) has a person appointed as General Partner, manager or officer that is not a fit and proper person to hold the respective position.

The powers of CIMA include, amongst others: (i) the power to require The General Partner to be replaced; (ii) the power to appoint a person, at the expense of the Fund to advise the Fund on the proper conduct of its affairs; and (iii) the power to appoint a person, at the expense of the Fund, to assume control of the affairs of the Fund, including for the purpose of terminating the business of the Fund. CIMA also has other remedies available to it including the ability to cancel the registration of the Fund and to apply to the courts of the Cayman Islands for approval of other actions.

Sanctions

The Fund is subject to laws that restrict it from dealing with entities, individuals, organizations and/or investments which are subject to applicable sanctions regimes.

Accordingly, the Fund will require investors to represent and warrant, on a continuing basis, that they are not, and that to the best of their knowledge or belief their beneficial owners, controllers or authorized persons ("Related Persons") (if any) are not; (i) named on any list of sanctioned entities or individuals maintained by the US Treasury Department's Office of Foreign Assets Control ("OFAC") or pursuant to EU and/or United Kingdom UK Regulations (as the latter are extended to the Cayman Islands by Statutory Instrument), (ii) operationally based or domiciled in a country or territory in relation to which sanctions imposed by the United Nations, OFAC, the EU and/or the UK apply, or (iii) otherwise subject to sanctions imposed by the United Nations, OFAC, the EU or the UK (including as the latter are extended to the Cayman Islands by Statutory Instrument) (collectively, a "Sanctions Subject").

Where an investor or a Related Person is or becomes a Sanctions Subject, the Fund may be required immediately and without notice to the investor to cease any further dealings with the investor and/or the investor's interest in the Fund until the investor ceases to be a Sanctions Subject, or a license is obtained under applicable law to continue such dealings (a "Sanctioned Persons Event"). The Fund and the General Partner shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by the investor as a result of a Sanctioned Persons Event.

In addition, should any investment made on behalf of the Fund subsequently become subject to applicable sanctions, the Fund may immediately and without notice to the investors cease any further dealings with that investment until the applicable sanctions are lifted or a license is obtained under applicable law to continue such dealings.

XI. Securities Law Legends

NOTICES TO INVESTORS

NON-U.S. OFFERING LEGENDS

PRELIMINARY NOTE: AS USED HEREIN, THE TERM "INTERESTS" SHALL MEAN EXEMPTED LIMITED PARTNER INTERESTS IN THE FUND AND THE TERM "GENERAL PARTNER" MEANS THE GENERAL PARTNER OF THE FUND.

NOTICE TO RESIDENTS OF AUSTRALIA

The Fund is not, and is not required to be, a registered foreign body corporate in Australia, and this Memorandum is not a prospectus lodged or required to be lodged with the Australian Securities and Investments Commission. The Interests will only be offered in Australia to persons to whom such securities may be offered without a prospectus under Chapter 6D of the Corporations Act 2001 (Cth). The Interests subscribed for by investors in Australia must not be offered for resale in Australia for 12 months from allotment except in circumstances where disclosure to investors under the Corporations Act 2001 (Cth) would not be required or where a compliant prospectus is produced. Prospective investors in Australia should confer with their professional advisors if in any doubt about their position.

11. Corporate Directory

Responsible Entity

Invesco Australia Limited
Level 26, 333 Collins Street
Melbourne VIC 3000

Australian Legal Advisor

Corrs Chambers Westgarth
Level 37
Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000
Contact: Fadi C. Khoury