

**Chamonix Partners Capital Management LLC**

**1251 Avenue of the Americas  
New York, NY 10020  
(212) 583-4951**

**Part 2A of Form ADV: Firm Brochure**

**March 22, 2024**

**This brochure provides information about the qualifications and business practices of Chamonix Partners Capital Management LLC (“Chamonix” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (212) 583-4951. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Chamonix also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser’s registration with the SEC does not imply a certain level of skill or training.**

**Item 2. Material Changes**

There are no material changes to this brochure since the last annual amendment, dated March 31, 2023.

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## Item 4. Advisory Business

### Our Firm

Chamonix Partners Capital Management LLC, a Delaware limited liability company, (“**Chamonix**” “**we**”, “**us**”, or the “**Adviser**”), is an investment adviser having its principal place of business in New York. Chamonix first registered with the Securities and Exchange Commission (“**SEC**”) as an investment adviser in 2014, and, in connection with the later wind down of its business, withdrew that registration in 2016. Chamonix is owned by Natixis North America LLC, a Delaware limited liability company having its principal place of business in New York, and is an indirect subsidiary of Natixis S.A., a société anonyme organized under the laws of France and based in Paris (“**Natixis**”). Natixis, an investment banking and financial services firm, is wholly owned by Groupe BPCE, France’s second largest banking group.<sup>1</sup>

### Advisory Business

The Adviser offers investment advisory services through three distinct business lines: the Real Asset Private Debt Co-Lending Platform (the “**Co-Lending Platform**”) and Real Asset Subordinated Debt Platform (the “**Sub Debt Platform**”), (collectively, the “**Real Assets Business**”), which provides a platform for real asset private debt sourcing, due diligence, monitoring, and management through separately managed accounts, and the Specialized Asset Securitization Platform (the “**SAS Business**”), which is a structured credit platform providing asset management expertise primarily focused on the selection, due diligence, securitization and management of specialized assets, such as infrastructure debt or trade finance debt, which may take the form of separately managed accounts or private funds. To the extent certain disclosure items required by Form ADV Part 2A call for information regarding services not yet provided to third-party clients, our responses herein reflect the activities and practices the Adviser proposes to engage in as of the date of this Brochure.

Chamonix will perform its services in accordance with its written services agreements and investment advisory agreements with clients as well as, in the case of fund clients (including clients which are special purpose vehicles (“**SPVs**”) such as issuers of collateralized loan obligations (“**CLOs**”)), the offering circular or other disclosure documents relating to the particular fund or SPV (such services and investment advisory agreements and disclosure documents, collectively referred to herein as the “**Client Documents**”).

As of 12/31/2023, Chamonix had non-discretionary regulatory assets under management of \$108,542,967 and did not manage assets on a discretionary basis.

### *Real Assets Business*

Chamonix’s Real Assets Business offers institutional clients access, primarily through separately managed accounts, to lending opportunities in respect of certain loans (“**Loans**”), originated by one or more of its affiliates who are part of the Corporate and Investment Banking division of Natixis (“**Natixis CIB**”), in structured financing transactions secured by real assets in the following sectors: (i) commercial real estate; (ii) aviation; (iii) infrastructure and project finance; and (iv) energy & natural resources. The Real Assets Business has two core products available to Chamonix’ clients: (A) the Co-Lending Platform where Chamonix’ institutional clients (in such capacity, “**Co-Lenders**”) can lend directly and alongside an affiliate of Natixis CIB (as the originator) in the same senior tranche of a real asset private debt financing transaction; and (B) the Sub Debt Platform where Chamonix’ institutional clients (in such capacity, “**Sub Debt Lenders**”)

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<sup>1</sup> As of December 31, 2022, BPCE was France’s second largest banking group.

can lend directly or through a vehicle in a subordinated tranche of a real asset private debt financing transaction (in respect of which an affiliate that is part of Natixis CIB may lend in a more senior tranche). In no case will Chamonix advise different clients with differing priorities (e.g., one a senior lender and the other a subordinate lender) in the capital structure in respect of the same borrower or transaction. Each of these two core products is considered “mono-sourcing” because the investment policy will relate exclusively to loans originated and structured by the specialized financing teams from Natixis CIB. While the full geographical focus of the Real Assets Business will cover the three regions in which Natixis CIB is active (EMEA, Americas and Asia-Pacific), Chamonix will predominantly manage loans for clients located in the Americas. The services provided by Chamonix to clients of the Real Assets Business include sourcing and conducting due diligence with respect to potential loan opportunities (*i.e.*, investigating, analyzing, and potentially structuring and negotiating certain loans), actively managing such loans on behalf of such clients, as well as the monitoring and disposition of certain lending opportunities. Chamonix will delegate certain loan monitoring functions to CIB and possibly third parties, including without limitation, to one or more of its affiliates as part of the ongoing loan management process; however, we will typically structure our client relationships such that any services that are not administrative in nature must be approved by the client.

Client Documents will generally contain a description of the guidelines and restrictions agreed upon with each client. The terms of certain Client Documents are negotiable and may differ from client to client. Our services for the Real Assets Business will adhere to the co-lending criteria set forth in the applicable Client Documents. Co-lending and subordinated debt arrangements with respect to the Real Assets Business will typically be non-discretionary in nature, insofar as a Co-Lender or Sub Debt Lender (as the case may be) will typically retain a consent right with respect to the initial decision to transact in respect of each Loan, and will typically also retain certain other consent rights in respect of certain material decisions arising in respect of a Loan.

As of the filing of this brochure, Chamonix manages assets on a non-discretionary basis for Natixis, New York Branch. Services provided by Chamonix include monitoring of transactions; recommendations on the valuation of securities; recommendations in respect of asset modeling; reviewing votes, consents, waivers and corporate actions; and other additional services.

### *SAS Business*

Chamonix will also launch a structured credit platform providing asset management expertise primarily focused on the selection, due diligence, securitization and management of specialized assets, such as infrastructure debt or trade finance debt. For clients that are private funds, including SPVs such as issuers of CLOs, our advisory services will adhere to the investment strategy and portfolio guidelines and restrictions set forth in the Client Documents for the relevant fund. Except in the case of separately managed accounts or funds of one, our advisory services would not generally be tailored to the individual needs of any particular note holder or investor in a fund. We will manage Chamonix’ CLOs and other private funds on a discretionary basis. The Adviser will have discretionary or non-discretionary authority over our separately managed accounts, as determined by each client.

## **Item 5. Fees and Compensation**

### *Real Assets Business*

Clients of the Real Assets Business will typically pay an asset-based fee based on the aggregate face amount of all Loans for that client, as provided in the applicable Client Documents. Fee arrangements are customized and will be debited from such client’s separately managed custodial account or other vehicle and paid to the Adviser quarterly.

## *SAS Business*

The fees applicable to clients of the SAS Business will be set forth in detail in the Client Documents for the relevant client. We anticipate that all clients will pay periodic asset-based fees (typically monthly, quarterly or semi-annually) that are due and payable in arrears. Given the nature of the transactions and the underlying collateral, at this time it is not expected that CLOs and other clients of the SAS Business will be expected to pay performance-based incentive fees. In most instances, an unaffiliated third party, such as a trustee, will pay the Adviser's fees by applying an appropriate portion of the cash flows from the client's underlying assets toward payment of the Adviser per the agreed-upon periodic schedule.

For both the SAS Business and the Real Assets Business, the Client Documents permit us to negotiate each client's fees and to waive fees for certain of our affiliates, current and former partners and employees, and accounts managed by such persons. Further, the Adviser may enter into agreements with clients in the future providing for other types of billing procedures. Such billing practices will be addressed in each client's respective Client Documents. The Adviser may remit a portion of the advisory fees received by it to one or more of its affiliates or accounts or funds managed by it or its affiliates or to certain third-party investors. The Adviser may from time to time enter into other arrangements to waive or rebate other portions of its advisory fees.

To the extent any fees are paid in advance, the Adviser will provide a pro rata refund to the relevant client if the investment advisory agreement were terminated prior to the end of a billing period.

Detailed information concerning compensation and fee arrangements for clients is further outlined in the applicable Client Documents. As further noted in Item 12 below, Chamonix does not receive "soft" or commission dollars.

## *Expenses*

In addition to the advisory fees described above, each client of Chamonix will pay certain other fees and expenses, including certain expenses reimbursed to the Adviser (although the Adviser will be responsible for its ordinary rent, office expenses and employee salaries incurred in the performance of its obligations under the applicable Client Documents). Clients will often bear, to the extent permitted under the relevant Client Documents, the following, without limitation: fees and expenses related to the analysis, development, purchase, holding, monitoring, valuation, and disposition of investments, including in connection with transactions not consummated; taxes, fees or other governmental charges levied against a client; auditing and tax preparation expenses; custodial expenses; brokerage commissions or fees; expenses related to rating agencies and preparing reports to investors; reasonable travel expenses undertaken in connection with the Adviser and its employees performing their duties and other out-of-pocket Adviser expenses, including fees and expenses incurred in connection with the marketing and placement of any securities issued by the client; fees and expenses of accountants and external counsel, including external counsel to the Adviser and external counsel to other transaction parties (e.g., the trustee, the arranger, etc.); costs of insurance; litigation and indemnity expenses; the cost of asset pricing and asset rating services, compliance services and other costs of reporting or regulatory compliance; software, accounting, programming and data entry costs associated with the Adviser's investment activities; fees and expenses of risk retention valuation agents; costs of forming, maintaining, dissolving and winding up investment vehicles; and other expenses otherwise agreed to by the Adviser and the client. A more detailed description of the expenses borne by each client will be included in the client's Client Documents.

In certain cases, as described in the applicable Client Documents, certain of such expenses may be paid to affiliates of Chamonix for services provided by such affiliates to a client. In addition, certain of the expenses borne by a client may also be incurred by, or allocable to, other clients of the Adviser. Therefore, the Adviser may be required from time to time to determine how certain

costs and expenses are to be allocated among multiple clients, or between clients and the Adviser, or both. To the extent a client, on the one hand, and the Adviser or one or more other clients, on the other hand, incur costs or expenses that are applicable to more than one of them, the Adviser will allocate such costs and expenses in a manner that it determines to be fair and reasonable, considering the applicable facts and circumstances. In addition, the Adviser has a conflict of interest where a service provider (e.g., legal counsel or accountants) provides services directly to the Adviser or its affiliates and separately provides services to one or more clients, in that the Adviser or an affiliate thereof may potentially obtain services at a lower cost than it otherwise could have as a result of the service provider's work performed on behalf of, and the compensation paid to the service provider by, such clients. In some cases, fee rates, amounts or discounts may be offered to the Adviser or its affiliates by a third-party service provider which differ from those offered to a client as a result of rate changes, differences in the nature of the service or transaction, or negotiation.

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

Chamonix charges asset-based fees to its clients and does not expect to charge performance-based fees in connection with the Real Assets Business or the SAS Business, in all cases in accordance with the provisions of the relevant Client Documents.

## **Item 7. Types of Clients**

Chamonix provides advisory services only to clients that are qualified purchasers as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended, and that are also qualified institutional buyers as defined in Rule 144A under the Securities Act of 1933.

### *Real Assets Business*

With respect to its Real Assets Business, Chamonix provides advisory services to its clients, primarily through separately managed accounts or other vehicles established for such clients participating in the Co-Lending Platform or the Sub Debt Platform, which in each case, will only be made available to institutional clients. Chamonix does not intend to market to or have individual retail clients or high net worth individual in the future and therefore is not required to file Form CRS.

### *SAS Business*

With respect to its SAS Business, the Adviser's clients are expected to include private funds that are exempt from registration under the federal securities laws as well as separately managed accounts. Private fund clients are expected to include CLOs and other types of investment structures. With respect to any private fund client that is an investment fund, it is expected that investment advice will generally be provided directly to the investment fund and not individually to its investors.

Investment minimums for clients of both the SAS Business and the Real Assets Business are set forth in the applicable Client Documents.

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

### Methods of Analysis

### *Real Assets Business*

In analyzing the lending opportunities sourced by Natixis CIB, Chamonix operates a rigorous, multi-stage review process designed to provide a centralized forum for the critical assessment of each proposed transaction, concentrating on fundamental credit analysis, technical analysis and the stability of each potential loan. At the first stage of the assessment process, Chamonix will conduct an analysis focused on pricing and risks, including credit, liquidity, volatility, and structural risks. The second stage of the review process consists of a thorough analysis of the individual loan and all related documentation. Also, central to this analysis is a fundamental assessment of the creditworthiness of the borrower.

### *SAS Business*

Chamonix expects to use a variety of methods to make investment decisions and recommendations, concentrating on fundamental credit analysis combined with active portfolio management. In evaluating potential investments and monitoring existing investments, the Adviser may consider, among other things, industry dynamics, competitive environments, performance history and prospects, investment sponsors and quality of management, free cash flow, projected cash flow, quality and value of underlying collateral, downside protection and relative value opportunities within a borrower's capital structure and the market.

### Material Risks

#### *Risks for All Lines of Business*

**LIBOR Cessation—Key Considerations:** LIBOR is an indicative measure of the average interest rate at which major global banks can borrow from one another. LIBOR is quoted in multiple currencies and multiple terms, or “maturities,” using data reported by private-sector banks. At the end of 2021, the global financial markets generally transitioned away from the use of all LIBOR settings (except for certain U.S. dollar (USD) LIBOR settings). However, there continue to be risks and challenges associated with the transition from LIBOR that may result in consequences that cannot be fully anticipated, which expose Chamonix and our clients to various financial, operational, supervisory, conduct and legal risks.

In the U.S., the Alternative Rates Reference Committee (“ARRC”), a group of market participants convened in 2014 to help ensure a successful transition away from USD LIBOR, has identified the Secured Overnight Financing Rate (“SOFR”) as its preferred alternative rate. SOFR is a measure of the cost of borrowing cash overnight, collateralized by U.S. Treasury securities, and is based on directly observable U.S. Treasury-backed repurchase transactions. Many banks in the U.S. have been entering into transactions where interest is determined based on SOFR or plan to do so during the course of 2023, as recommended by ARRC and certain regulators. As many financial contracts include replacement alternatives for LIBOR upon the cessation of LIBOR, it is possible that some U.S. lenders will elect to use alternative rates other than SOFR. Central banks in several other jurisdictions have also announced plans for publishing alternative reference rates for other currencies.

These and other reforms relating to benchmarks could: cause certain benchmarks to be substantially modified or to be permanently discontinued; lead to disruptions in the financial markets; give rise to litigation and other disputes; impact pricing mechanisms on some instruments; cause changes in the valuation of financial instruments linked to benchmark rates and hedging mismatch; cause reputational harm in case a company's operational and technology systems are not prepared for the transition, among other consequences.

**Risk of Loss:** Any investment or lending activity includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. While the Adviser seeks to mitigate risks so that they are appropriate to the potential return for the client or strategy, it is usually not possible or desirable to fully mitigate risks. Clients should carefully consider the following risks,



along with all risk factors described in the applicable Client Documents. There can be no assurance that an investment or lending strategy will be carried out successfully. Clients should understand that they could lose some or all of their investment or principal and should be prepared to bear the risk of such potential losses. The Client Documents of each investment or lending program more fully explain the material risks associated therewith and should be reviewed by all clients.

**Credit Risk:** Credit risk is the risk that a change in the credit quality of the borrower would affect the value of the loan and the likelihood of a client recovering its investment. Credit risk is mainly inherent to the borrower's default risk, which is the possibility that it will be unable to pay the contractual interests or to repay the loan principal at the end of the loan.

**Cybersecurity and Technology Risk:** The Adviser, its service providers, and other market participants increasingly depend on complex information technology and communications systems, which are subject to several different threats and risks that could adversely affect a portfolio or a client. These risks include, among others, theft, misuse, and improper release of confidential or highly sensitive information relating to a client or its account, as well as compromises or failures of systems, networks, devices and applications relating to the operations of the Adviser and its service providers. Power outages, natural disasters, equipment malfunctions and processing errors that threaten these systems, as well as market events that occur at a pace that overloads these systems, may also disrupt business operations or impact critical data. Cybersecurity and other operational and technology issues may result in financial losses to a client or its account, impede business transactions, violate privacy and other laws, subject a client or its account to certain regulatory penalties and reputational damage, and increase compliance costs and expenses. The Adviser will be relying on Natixis CIB for its technology and communications systems which has developed processes and risk management systems designed to reduce these risks. Therefore, the Adviser will not directly control the cybersecurity defenses, operational and technology plans and systems of Natixis CIB, their service providers, financial intermediaries and companies in which its clients have assets or with which it does business. On February 9, 2022, the SEC proposed new rules which would require advisers to adopt and implement written cybersecurity policies, track and report significant cybersecurity incidents and publicly disclose cybersecurity risks and significant incidents in their Form ADV. The Adviser continues to monitor these developments to ensure its ongoing compliance.

**Financial Market Fluctuations:** The value of loans or securities, as the case may be for the Real Assets Business and the SAS Business, respectively, may increase or decrease in response to economic, political and financial events (whether real, expected or perceived) in the U.S. and global markets. The frequency and magnitude of such changes in value cannot be predicted. Certain assets may experience increased volatility, illiquidity, or other potentially adverse effects in reaction to changing market conditions. Actions taken by the U.S. Federal Reserve or foreign central banks to stimulate or stabilize economic growth, such as decreases or increases in short-term interest rates, could cause high volatility in markets. Fixed-income markets may experience periods of relatively high volatility in an environment where U.S. treasury yields are rising. The ability of a borrower to refinance debt during periods of relatively high volatility may depend on its ability to sell new debt and equity in the market, to borrow from banks or do otherwise, which may not be achievable on favorable terms or at all.

**Natural Disasters and Adverse Weather Conditions:** Certain areas of the world historically have been prone to major natural disasters, such as hurricanes, earthquakes, typhoons, flooding, tidal waves, tsunamis, erupting volcanoes, wildfires or droughts, and have been economically sensitive to environmental events. Such disasters, and the resulting damage, could have a severe and negative impact on a portfolio.

**Non-U.S. Assets:** The Adviser may, on behalf of its clients, invest in, recommend loans or recommend co-investing in loans to non-U.S. companies or assets, as the case may be. Lending or investing in securities, loans or other instruments issued outside of the U.S. involves considerations

and possible risks not typically involved in lending to or investing in instruments of companies domiciled and operating in the U.S., including increased possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (initiated from the U.S. or from abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (*e.g.*, the imposition of withholding taxes on dividend, interest or other payments) or confiscatory taxation may also affect lending or investment in non-U.S. securities or other instruments. Higher expenses may result from lending or investment in non-U.S. instruments than would from lending to U.S. borrowers or investment in U.S. securities or other instruments because of the costs incurred in connection with conversions between various currencies and the fact that foreign brokerage commissions may be higher than commissions charged in the U.S. Loans and investments in non-U.S. countries could be affected by other factors not present in the U.S., including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

**Currency Risk:** Currency risk may appear in certain transactions where it is possible to invest in loans with different currencies. Currency risk may be hedged within the structure, but hedges may be difficult to implement due to default or prepayment risks associated with the loans.

**Interest Rate Risk:** Market changes in interest rates may have a significant impact on the value of a client's investments, particularly in the case of fixed rate instruments, although floating rate instruments may also be affected directly or indirectly by changes in and volatility of interest rate levels. A rising interest rate environment and/or economic downturn may also increase defaults by borrowers and result in credit losses that may adversely affect value of and cash flow from client investments.

**Default Risk:** Default in the payment of interest or principal on a loan or an increased risk of default may result in a reduction in income to the client and a reduction in the value of a loan. The risk of default typically increases in the event of an economic downturn or a substantial increase in interest rates on floating or variable rate loans.

**Additional Debt Risk:** A borrower, subject to any limitations imposed by the terms of its loan, may enter into additional loan agreements or issue bonds ranking equally with the loan and pledge property serving as collateral for the loan as collateral for additional loans or bonds. A borrower may also encumber its property with subordinate indebtedness, such as a loan made by a Sub Debt Lender. Any of these actions could affect the borrower's ability to make timely principal and interest payments on the loan. Furthermore, a Sub Debt Lender's interest in a loan will be subordinate in right and priority to a lender's more senior interest in that same loan.

**Market Disruption, Health Crises, Terrorism and Geopolitical Risk:** Funds and other accounts are subject to the risk that war, terrorism, global health crises or similar pandemics, and other related geopolitical 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 a Fund's or account's investments. War, terrorism and related geopolitical events, as well as global health crises and similar pandemics have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events as well as other changes in world economic, political and health conditions also could adversely affect individual borrower, or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of a Fund's or account's investments. At such times, accounts' exposure to a number of other risks described elsewhere in this section can increase.

**Coronavirus Outbreak Risk:** An outbreak of respiratory disease caused by a novel coronavirus designated as COVID-19 was first detected in China in December 2019 and subsequently spread internationally. The transmission of COVID-19 and efforts to contain its spread have resulted in,

among other things, border closings and other significant travel restrictions and disruptions, significant disruptions to business operations, supply chains and customer activity, lower consumer demand for goods and services, event cancellations and restrictions, service cancellations, reductions and other changes, significant challenges in healthcare service preparation and delivery, and prolonged quarantines, as well as general concern and uncertainty. The impact of the COVID-19 outbreak could have a material and lasting negative impact on the global economy, the economies of individual countries, and the financial performance of individual issuers, sectors, industries, asset classes, and markets in significant and unforeseen ways. Health crises caused by the outbreak of COVID-19 may also exacerbate other pre-existing political, social, economic, market and financial risks. The potential long-term impacts of COVID-19, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess. In light of the above, views and other forward-looking statements expressed in marketing or other materials may be based on assumptions that are no longer valid at the time a communication is received.

The extent of the impact of any public health emergency on client assets will depend on many factors, including but not limited to the duration and scope of such public health emergency, the extent of any related travel advisories and voluntary or mandatory government restrictions implemented, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For example, the shortage of workers and lack of key components and raw materials that has come as a result of COVID-19 has and may continue to contribute to manufacturers and distributors being unable to produce or supply enough goods to meet increasing demands. The impact of these global supply chain constraints may not fully be reflected until future periods and may have an adverse impact on clients at a future point. For this reason, valuations in such environment are subject to heightened uncertainty and subject to numerous subjective judgments even beyond what is traditionally the case, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may materially and adversely impact the value and performance of clients' investments and our ability to source, manage and divest investments, all of which could result in significant losses to clients.

**Geopolitical Risk:** Geopolitical risks, including those arising from trade tension and/or the imposition of trade tariffs, terrorist activity or acts of civil or international hostility, are increasing. For instance, military conflict and escalating tensions between Russia and Ukraine could result in geopolitical instability and adversely affect the global economy or specific markets. On February 24, 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine. Geopolitical tensions globally have risen significantly in response and the US, Japan, the United Kingdom, EU member states, and certain other countries have imposed several rounds of economic sanctions on the Russian Federation, parts of Ukraine, as well as various designated parties, and additional sanctions may be added in the future. There is no guarantee that such sanctions and economic actions will abate or that more restrictive measures will not be put in place in the near term. As further military conflicts and economic sanctions continue to evolve, it has become increasingly difficult to predict the impact of these events or how long the conflict or such sanctions will last. Strategic competition between the US and China and resulting tensions have also contributed to uncertainty in the geopolitical and regulatory landscapes. Similarly, other events outside of our control, including natural disasters, climate change-related events, pandemics (such as the COVID-19 pandemic) or health crises may arise from time to time and be accompanied by governmental actions that may increase international tension. Any such events and responses, including regulatory developments, may cause significant volatility and declines in the global markets, disproportionate impacts to certain industries or sectors, disruptions to

commerce (including to economic activity, travel and supply chains), loss of life and property damage, and may adversely affect the global economy or capital markets, which may cause our clients' AUM, revenue and earnings to decline.

**Banking System Volatility Risk:** On Friday March 10, 2023, the U.S. Federal Deposit Insurance Corporation (the "FDIC") was appointed receiver for Silicon Valley Bank ("SVB") and created the Deposit Insurance National Bank of Santa Clara to protect SVB's insured depositors. On Sunday March 12, 2023, the FDIC was appointed receiver for Signature Bank and created Signature Bridge Bank, N.A. to protect depositors of Signature Bank. On Sunday March 12, 2023, the U.S. Department of Treasury (the "Treasury"), the FDIC and the Board of Governors of the Federal Reserve System ("Federal Reserve") jointly announced that, upon recommendation from the board of the FDIC and the Federal Reserve, and in consultation with the President of the United States, Treasury Secretary Yellen approved actions enabling the FDIC to complete its resolution of SVB and Signature Bank in order to protect all of those banks' depositors. To that end, on Monday March 13, 2023, the FDIC announced that it had created Silicon Valley Bridge Bank, N.A. ("SVB Bridge Bank") and transferred all deposits (regardless of dollar amount) and substantially all of the assets of SVB to SVB Bridge Bank. Depositors and borrowers of SVB automatically became customers of SVB Bridge Bank. According to the FDIC, SVB Bridge Bank is a full-service "bridge bank" that will be operated by the FDIC in an action to protect all depositors of SVB as the FDIC markets the institution to potential bidders, and all depositors of SVB will be made whole. The FDIC recently took similar steps with respect to Signature Bank. On March 19, 2023, at the urging of Swiss authorities, UBS Group announced plans to acquire Credit Suisse Group. Subject to regulatory approval, UBS Group would absorb Credit Suisse Group and succeed to all assets and all liabilities of Credit Suisse Group.

Clients may maintain cash and cash equivalents in accounts with major U.S. and multi-national financial institutions, and their respective deposits at certain of these institutions may exceed the insured limits, where applicable. The aforementioned events may impact the viability of the institutions listed above and other banking and financial services institutions. In the event of failure of any of the financial institutions where any client maintains its cash and cash equivalents, there can be no assurance that it would be able to access uninsured funds in a timely manner or at all. Any inability to access, or delay in accessing, these funds could adversely affect the business and financial position of such clients. The closing of SVB and Signature Bank, the acquisition of Credit Suisse Group by UBS Group at the request of Swiss regulators, and any additional closures or resolution measures that may occur within the banking system, domestically and internationally, as well as the placement into receivership by the FDIC or other regulators, including foreign regulators, or bankruptcy, of any banks or other financial institutions, or a crisis of confidence in the industry by investors and consumers generally, in each case, may negatively impact the availability of certain financial services to clients and may require clients to establish new bank relationships. Such events may significantly increase clients' costs, negatively impact their ability to execute on pending transactions, including with respect to the ability to draw down amounts under credit facilities, and divert our time, attention and resources away from the pursuit of the clients' investment strategies. Furthermore, such events may also increase counterparty risk, including raising the likelihood of defaults or bankruptcies by counterparties that rely on such bank relationships. Depending on ongoing developments, regulatory guidance and timing, such events may significantly exacerbate the normal risks associated with investing and result in adverse changes to, among other things: (i) general economic and market conditions; (ii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iii) demand for investments; (iv) availability of credit in certain markets; and (v) laws, regulations and governmental policies. In addition, such events may lead to financial system and participant regulatory reform, and such increased regulatory oversight may impose additional administrative burden and costs on Chamonix or our clients. The foregoing could materially adversely impact our operations and those of our clients and their financing and overall cash flow, acquisition, development and leverage strategies and investment returns. It is currently unclear what the ultimate effect of the situation will be on the banking sector, private equity industry, real estate

market and global financial markets as a whole.

### *Real Assets Business*

Clients of the Real Assets Business face several risks related to their lending activities. Exposure to these risks defines the risk/return profile of each transaction. The risks that Chamonix considers to be most material to the Real Assets Business are described below.

**Lending Risk:** The client assumes the credit risk associated with the borrower and may assume the credit or counterparty risk associated with any interposed bank or other financial intermediary. In addition, the client will be subject to the requirements of each loan agreement, which may differ. Typically, however, taking action under a loan agreement requires action by more than one lender and, generally, no one lender, unless they are at least a majority lender, can act unilaterally. Loans are also subject to the risk of price declines (to the extent they may be assigned) and to increases in prevailing interest rates. Interest rate changes may also increase prepayments of obligations. Specifically, during periods of changes in interest rates or for other purposes, borrowers may exercise their option to prepay principal earlier than scheduled.

**Default Risk:** In the event of any default under a loan, a Co-Lender and a Sub Debt Lender will bear a risk of loss of principal to the extent of any deficiency between the value of any collateral that is liquidated and the principal and accrued and unpaid interest of the loan, with the Co-Lender (and all other senior lenders) being senior to the Sub Debt Lender in respect thereof. Efforts to return a non-performing loan to performing status can be lengthy and may negatively affect the client's anticipated return. In the event a borrower defaults, any collateral may be limited or delayed by bankruptcy or other insolvency laws.

**Liquidity Risk:** Loan instruments associated with the Real Assets Business typically will not be readily marketable and may be subject to restrictions on resale or assignment. When a loan can be assigned, negotiations involved in disposing of loans may require an extended period of time to complete. This poses a liquidity risk to the client and the client may not be able to dispose of a loan for many years, if at all, prior to scheduled maturity. Additionally, collateral on loan instruments may consist of assets that may not be readily liquidated, and there is no assurance that the liquidation of such assets will satisfy a borrower's obligations under the instrument. Loans and other forms of indebtedness will be structured such that they are not securities under securities laws. As such, it is unclear whether loans and other forms of direct indebtedness offer securities law protections, such as those against fraud and misrepresentation. In the absence of definitive regulatory guidance, while there can be no assurance that fraud or misrepresentation will not occur with respect to the loans and other investments in which the client invests, the client relies on Chamonix's research in an attempt to seek to avoid situations where fraud or misrepresentation could adversely affect the client.

### *SAS Business*

Clients of the SAS Business face several risks related to their investment. Exposure to these risks defines the risk/return profile of each investment. The risks that Chamonix considers to be most material to the SAS Business include those described below.

**Reinvestment Risk:** Client Documents may provide for a reinvestment period for private fund clients of the SAS Business during which cash from asset repayments and sales may be reinvested by the fund in substitute assets. Reinvestment risk arises from the difficulties the Adviser may face, as a result of market conditions, illiquidity of the leveraged loan or other relevant asset market, investment restrictions in the Client Documents, or other reasons, in finding suitable assets in which to reinvest such proceeds. Any inability of the Adviser to reinvest proceeds in assets with comparable interest rates that satisfy the applicable investment criteria of a client may adversely

affect such client and/or investors in the securities of client funds.

**Liquidity Risk:** Loans and other debt obligations and investments made by clients of the SAS Business may not be readily marketable, and in cases where the Adviser determines that a client investment should be disposed of based on the relevant investment guidelines and/or the client's best interests, it may not be possible to sell the investment quickly enough or at a sufficient price to avoid losses. In addition, collateral underlying loans may consist of assets that may not be readily liquidated, and there is no assurance that the liquidation of such assets would satisfy the obligations of a borrower that defaults on an asset held by a client.

**Prepayment Risk:** Loans are generally prepayable in whole or in part at any time at the option of the borrower at par plus accrued unpaid interest. Prepayments on loans may be caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, proceeds received upon such a prepayment are subject to reinvestment risk, as described above. After the reinvestment period for a CLO client, prepayments of loans or other prepayable obligations held by the client accelerate the repayment of the notes. Hence, noteholders may face additional risk related to possible difficulties in reinvesting the repayment cash in other sources of return.

**Interest Rate Risk:** In the case of client vehicles that issue debt, interest rate risk also arises from the potential for a mismatch between interest payments received on assets held by the client and interest payments required to be paid on notes issued by the client. Although the Adviser intends to mitigate the risk of interest rate mismatch using hedge agreements, there may be differences in the timing of interest rate resets on the assets and liabilities of a client fund, which may have a negative impact on distributions to investors in the equity of the fund. In addition, it may not always be possible to enter into or implement appropriate hedge agreements.

## **Item 9. Disciplinary Information**

Neither Chamonix nor any of its management persons have been subject to any material legal or disciplinary events.

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

Chamonix is owned by and is a direct subsidiary of Natixis North America LLC and an indirect subsidiary of Natixis S.A., which owns a number of other banking, asset management, distribution and service entities (each, together with any advisory affiliates of the Adviser, a “**related person**”). As noted under Item 4, Natixis North America LLC is owned by Natixis S.A., which is wholly owned by BPCE, France's second largest banking group.<sup>2</sup> BPCE is owned by banks comprising two autonomous and complementary retail banking networks consisting of the Caisse d'Epargne regional savings banks and the Banque Populaire regional cooperative banks. There are several intermediate entities in the ownership chain between BPCE and the Adviser. In addition, Natixis North America's and its parent companies Natixis S.A. and BPCE each own, directly or indirectly, other investment advisers and securities and financial services firms that engage in securities transactions.

Because the Adviser is affiliated with a number of banking, asset management, distribution and service entities, the Adviser may from time to time engage in business activities with some of these entities, subject to the Adviser's policies and procedures governing conflicts of interest. For example:

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<sup>2</sup> As of December 31, 2021, BPCE was France's second largest banking group.

- Natixis CIB, or another Chamonix affiliate, may provide seed capital to Chamonix to incubate a new strategy or product. Chamonix may also work with another affiliated company to jointly manage a new strategy or product.
- Either or both of Natixis CIB and/or another Chamonix affiliate, may refer business (including for a fee) to, or otherwise solicit or assist in securing business for, Chamonix for separate accounts and investment vehicles, subject to internal policies and procedures.
- Chamonix may provide investment advisory services to Natixis CIB and/or another Chamonix affiliate or to accounts or pooled investment vehicles managed by such affiliates.

Moreover, the Adviser will be using related persons to provide certain services to clients to the extent permitted under applicable law and under the Adviser's applicable policies and procedures. Given that related persons are equipped to provide a number of services and products to the Adviser's clients, subject to applicable law, clients of the Adviser may engage a related person of the Adviser to provide any number of such services, including advisory, custodial or banking services, or may participate in the products provided or sponsored by a related person of the Adviser. The relationships described herein could give rise to potential conflicts of interest or otherwise may have an adverse effect on the Adviser's clients. For example, when acting in a commercial capacity, related persons of the Adviser may take commercial steps in their own interests, which may be adverse to those of the Adviser's clients.

Given the interrelationships among the Adviser and its related persons and the changing nature of the Adviser's related persons' businesses and affiliations, there may be other or different potential conflicts of interest that arise in the future or that are not covered by this discussion. Additional information regarding potential conflicts of interest arising from the Adviser's relationships and activities with its related persons is provided under Item 11 of this Brochure.

### *Real Assets Business*

As described in Item 4, Chamonix offers its clients lending opportunities in loans originated by specialized financing teams at CIB. CIB identifies borrowers and selects certain lending opportunities based on its interests and the interests of its clients, which may be divergent from the interests of Chamonix and the Co-Lenders or Sub Debt Lenders (as the case may be). Conflicts of interest may therefore arise to the extent that Co-Lenders or Sub Debt Lenders become lenders in loans sourced and underwritten by CIB primarily for its own clients. A more detailed discussion of these inherent conflicts of interest is provided under Item 11 of this Brochure.

### *SAS Business*

Natixis CIB will, generally, be a lender, arranger or underwriter of loans acquired by clients of the SAS Business. From time to time, CIB or other affiliates may also provide "warehouse" financing for the accumulation of loans or other assets to be held by client funds, or may own such assets during the warehouse phase and receive financing from unaffiliated lenders, in which case the warehoused assets would be transferred to the client fund at or before the time fund securities are offered to investors.

The foregoing relationships, in addition to those described above in this Item 10, pose conflicts of interest that may have an adverse effect on the relevant clients. For example, the Adviser would have an incentive to cause a client fund to engage an affiliated agent or agree to higher fees, or to more favorable pricing on a derivative transaction with an affiliated counterparty, because these

actions increase revenue to the Adviser's affiliates. Where CIB provides financing for warehoused assets, its interests may not be aligned with those of the client fund that acquires such assets, and as a result the Adviser may have an incentive to cause the fund to make acquisitions or agree to terms that are not in the fund's best interests.

Chamonix's advisory services will adhere to policies and procedures intended to mitigate the conflicts associated with the above relationships and ensure that the Adviser's decisions are made solely in clients' best interests. There can be no assurance, however, that the foregoing relationships will not influence the Adviser's decisions. Further detail regarding the above risks is provided in Item 11 of this Brochure.

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

### Participation or Interest in Client Transactions

Natixis CIB is engaged in securities and lending transactions and may invest in the same loans or securities that the Adviser recommends for, purchases for or sells to the Adviser's clients, and it is expected that Natixis CIB, the Adviser's related person, will (i) make loans alongside Co-Lender clients of the Real Assets Business with respect to all or substantially all of the Co-Lender loans, and (ii) lend in tranches of loans which will be senior in right and priority to the subordinated debt in which a Sub Debt Lender would lend and (iii) lend in tranches of loans which are purchased by Chamonix fund clients through the SAS Business. The Adviser and Natixis CIB (to the extent they have unrelated business relationships with the client) may give advice to and take action with their own accounts or with other client accounts that may compete or conflict with the advice the Adviser may give to, or an action the Adviser may take on behalf of, the client or may involve different timing than with respect to the client. In addition, the interests of senior debt holders (such as Co-Lenders) and subordinated debt holders (such as Sub Debt Lenders) may diverge, and conflicts may arise based on the differing level of priority in respect of the rights of each such lender in the collateral securing a Loan. Therefore, the Adviser will not consider the purchase of: (i) a senior loan for a client when another client has already owned a subordinated loan for the same company/project; or (ii) a subordinated loan for a client when another client already owns a senior loan for the same company/project. Since the trading and lending activities of Natixis affiliated firms generally are not coordinated, each firm may trade the same security or loan to the same borrower at about the same time, on the same or opposite side of the market, thereby possibly affecting the price, amount or other terms of the execution of the transaction, adversely affecting some or all clients. Similarly, one or more clients of the Adviser's related persons may dilute or otherwise disadvantage the price or investment strategies of another client through their own transactions in investments. The Adviser's management on behalf of its clients may benefit the Adviser or its related persons. For example, clients may, to the extent permitted by applicable law, invest directly or indirectly in the securities of companies in which the Adviser or a related person, for itself or its clients, has an economic interest, and clients, or the Adviser or a related person on behalf its client, may engage in investment transactions which could result in other clients being relieved of obligations, or which may cause other clients to divest certain investments. The results of the investment or lending activities of a client of the Adviser may differ significantly from the results achieved by the Adviser for other current or future clients.

Potential conflicts may be inherent in the Adviser's and its related persons' use of multiple strategies. The Adviser or a related person may also cause a client to lend to, or purchase assets from, or sell assets to, an entity in which other clients may have an interest, potentially in a manner that will adversely affect such other clients. In other cases, the Adviser on behalf of its clients may receive material non-public information ("MNPI") on behalf of some of its clients, which may prevent the Adviser from buying or selling securities on behalf of other of its clients even when it would be beneficial to do so. Conversely, the Adviser may refrain from receiving MNPI on behalf of clients, even when such receipt would benefit those clients, to prevent the Adviser from being



restricted from trading on behalf of its other clients. In all of these situations, the Adviser or its related persons, on behalf of itself or its clients, may take actions that are adverse to some or all of the Adviser's clients. The Adviser will seek to resolve conflicts of interest described herein on a case-by-case basis, taking into consideration the interests of the relevant clients, the circumstances that gave rise to the conflict and applicable laws. There can be no assurance that conflicts of interest will be resolved in favor of a particular client's interests. Moreover, the Adviser typically will not have the ability to influence the actions of its related persons.

Certain related persons of the Adviser engage in banking or other financial services, and in the course of conducting such business, such persons may take other actions that adversely affect the Adviser's clients. For example, a related person engaged in lending may foreclose on an issuer in which the Adviser's clients have an interest. As noted above, the Adviser typically will not have the ability to influence the actions of its related persons.

### Code of Ethics

The Adviser recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its clients; (ii) its long-term business interests are best served by adherence to the principle that the interests of its clients come first; and (iii) it has a fiduciary duty to its clients to act solely for their benefit. All personnel of the Adviser must put the interests of the Adviser's clients before their own personal interests and must act honestly and fairly in all respects in dealings with the clients. All personnel of the Adviser must also comply with all federal securities laws.

In recognition of the foregoing, the Adviser has adopted a written Code of Ethics that is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"). The Code of Ethics establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance, recordkeeping and reporting obligations. Officers and employees of the Adviser, and their families and households, may create a co-investment vehicle to participate in transactions for their own accounts, including the same transactions as may be made available for a client, subject to the terms of the Code of Ethics. Under the Code of Ethics, officers and employees of the Adviser are required to report to the CCO or his designee certain information as required by Rule 204A-1 under the Advisers Act. The Code of Ethics will help the Adviser detect and prevent potential conflicts of interest.

The CCO monitors the administration of the Code of Ethics personal trading through notifications or reports generated from the Natixis CIB system and process used for the pre-clearance and tracking of personal trades and provides training to the Adviser's officers and employees. At least annually, the CCO reviews the Code of Ethics and confirms that the requirements in each part have been updated appropriately.

### *Pre-Clearance of Certain Personal Securities Transactions*

The Adviser's officers and employees are required to obtain approval from the CCO before they acquire beneficial ownership in any security in an initial public offering, or in a limited offering (i.e., a private placement or other type of sale limited to selected investors), in each case, whether in the U.S. or elsewhere. Natixis CIB, pursuant to a services agreement with the Adviser, has been engaged to assist in the process of identifying and preventing potential conflicts of interest in the acquisition by the Adviser's officers and employees (collectively, "**Adviser Personnel**") of other types of investments.

### *Ban on Insider Trading*

Adviser Personnel are prohibited from trading while in possession of MNPI in violation of the U.S. federal securities laws. The Adviser has adopted written policies and procedures that prohibit Adviser Personnel from engaging in insider trading.

*Ban on Outside Directorships, Activities or Employment that Cause a Conflict of Interest*  
Adviser Personnel are not allowed to simultaneously exercise external mandates or functions, principally or secondarily that could generate or potentially generate conflicts of interests with the execution of their function (professional responsibilities) for Chamonix.

#### *Reporting*

The Code of Ethics sets forth reporting requirements for Adviser Personnel, including quarterly reporting of securities transactions, annual reporting of all holdings and annual certifications that Adviser Personnel have read and understand the Code of Ethics and have reported all personal covered securities transactions.

Adviser Personnel who violate the Code of Ethics may be subject to remedial action, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to the Adviser at the following address: Chamonix Partners Capital Management LLC, 1251 Avenue of the Americas, New York, NY 10020, Attn: Chief Compliance Officer.

#### Conflicts of Interest

##### *General Conflicts*

The Adviser and its affiliates engage in a broad range of activities, banking, lending, and brokerage services, including investment advisory services to CLOs, other pooled investment vehicles and separately managed accounts. In the ordinary course of conducting the Adviser's activities, the interests of a client may conflict with the interests of the Adviser, other clients and/or the Adviser's affiliates and their clients.

The CCO and Adviser management are responsible for coordinating the identification of material conflicts of interest to which the Adviser is subject. In doing so, the CCO will use such tools that it deems appropriate, such as a review of the activities of the Adviser that might give rise to a conflict between the interests of the Adviser and its affiliates, on the one hand, and the interests of its clients on the other. Once such conflicts are identified, the CCO will oversee the consideration of appropriate disclosure and/or mitigation of the conflicts.

The material conflicts of interest which the Adviser anticipates could be encountered by its advisory clients include those discussed below, although the discussion below does not necessarily describe all the conflicts that may be faced by the Adviser and/or its clients. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

##### Conflicts Related to the Real Assets Business

As discussed in Item 4, Chamonix' Co-Lending Platform and Sub Debt Platform each grant certain institutional clients access to a range of real asset private debt financing structured by CIB. Under normal circumstances, it is expected that Natixis CIB would identify potential borrowers or lending opportunities and notify Chamonix of the proposed terms of the loan. Generally, Natixis CIB will negotiate with the prospective borrower and Chamonix would review the loan terms and documentation. The universe of potential opportunities that will be made available to Co-Lenders and Sub Debt Lenders by Chamonix will be based on the opportunities sourced by Natixis CIB and limited by Natixis CIB's general business policies and risk tolerances. If the amount of a

lending opportunity available to Chamonix (and therefore any Co-Lenders and Sub Debt Lenders) is constrained, Chamonix will allocate the lending opportunity among participating Co-Lenders or Sub Debt Lenders (as the case may be) according to procedures designed to ensure that clients are treated fairly and equitably. In addition, given the roles of Chamonix and Natixis CIB, the Real Assets Business presents certain actual and potential conflicts of interest, including but not limited to conflicts with respect to the allocation of lending opportunities, and conflicts with respect to the difference in priority as between senior lenders (such as Co-Lenders, including the senior lender affiliate of CIB and any client fund) and subordinate lenders (such as Sub Debt Lenders) in respect of the collateral securing a Loan. Chamonix has implemented policies to mitigate such conflicts, including the avoidance of advising different clients with differing priorities (e.g., one a senior lender and the other a subordinate lender) in the capital structure in respect of the same borrower or transaction.

#### *Conflict Related to Transaction Selection Bias Resulting from the Mono-sourcing Activity*

As part of the Real Assets Business, Natixis CIB's specialized financing teams will identify and select transactions based on Natixis CIB's business policy and risk appetite. Accordingly, any transactions that do not meet Natixis CIB's selection criteria will not be included in the pipeline and will therefore not be offered to Co-Lenders or Sub Debt Lenders. Prospective and actual Co-Lenders and Sub Debt Lenders should be aware of this selection bias.

#### *Conflicts related to Chamonix' Allocations of Co-lending and Subordinated Debt Opportunities*

Chamonix, and consequently Co-Lenders and Sub Debt Lenders, may not be allocated every loan opportunity that is available to Natixis CIB. Natixis CIB has entered into agreements with other clients that give such clients priority regarding certain deal flow or that involve more favorable financial terms and conditions (hereinafter referred to as the "**Priority Partners**"). Natixis CIB will give priority access to Priority Partners for opportunities relating to infrastructure financings in Europe. To mitigate this conflict, Natixis CIB has agreed to:

1. Use reasonable efforts to present Chamonix with all eligible loan opportunities that are consistent with a Co-Lender's agreed-upon lending parameters no later than when it markets such opportunities to other clients that are not its Priority Partners, subject to certain exceptions outlined in the Client Documents.
2. Natixis CIB has provided Chamonix with a list of all preexisting agreements with Priority Partners regarding priority access to its deal flow. Chamonix will share such list with the Co-Lenders in the applicable Client Documents.

#### *Conflict Related to Pricing Structure of the Transactions Arranged by Natixis CIB*

Natixis CIB, as arranger of the debt offered as part of the Real Assets Business, has an interest in maximizing the up-front fees, potentially to the detriment of the coupon level offered in remuneration for the debt, and therefore the profitability of the transaction for the Co-Lender or Sub Debt Lender.

To mitigate this risk, Chamonix has adopted the Conflict Mitigation Framework designed to ensure that (1) it generally has access to the same or similar information as other lending clients and (2) it can appropriately evaluate the economics of the transaction and the suitability of a loan for a Co-Lender or Sub Debt Lender, considering such client's risk tolerance and strategies.

#### *Conflicts Related to Natixis CIB's Control over Chamonix*

Given Chamonix' ownership structure, there is the potential that Natixis CIB may seek to influence

Chamonix so that its clients are encouraged to lend in the deals that Natixis CIB has sourced. To mitigate this risk under the Co-Lending Platform, Natixis CIB will co-lend in a portion of each loan (the “**Alignment Portion**”). Natixis CIB has protocols to ensure that the Alignment Portion will be held subject to the Co-lending Framework Agreement. Further, in respect of all its businesses, Chamonix believes that its internal governance structure, consisting of various committees composed of a diverse group of people responsible for decision-making, mitigates the risk of the above potential conflict.

### *Conflicts Related to Debt Restructurings*

In the case of a significant credit event, such as the default of a borrower, requiring the restructuring of a loan, it is possible that Natixis CIB’s interests may diverge from those of the Co-Lenders and/or the Sub Debt Lenders, particularly if Natixis CIB or an affiliate, or a client or customer of Natixis CIB or an affiliate, holds a loan or securities position elsewhere in the capital structure of the borrower. Notably, this conflict may arise (as discussed above) based on the difference in priority as between senior lenders (such as Co-Lenders, including CIB or its affiliates who are also a senior lender) and subordinate lenders (such as Sub Debt Lenders) in respect of the collateral securing a Loan. Chamonix believes that its internal governance structure, consisting of various committees composed of a diverse group of people responsible for decision-making, mitigates the risk of such potential conflict.

### *Conflicts Related to Material Non-Public Information (MNPI)*

Chamonix, in the course of its investment management and other activities, may come into possession of confidential information or MNPI about issuers of securities, including issuers in which Chamonix or its related persons have invested or seek to invest on behalf of clients. Chamonix is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. Chamonix maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to ensure that Chamonix meets its obligations to clients and remains in compliance with applicable law.

The Adviser’s relationships with Co-Lenders, Sub Debt Lenders and/or its other advisory clients could create a conflict of interest to the extent the Adviser becomes aware of MNPI concerning borrowers or potential borrowers. The Adviser and its clients have implemented compliance procedures and practices designed to ensure that MNPI regarding borrowers is not shared except to the extent necessary and permitted pursuant to the procedures. In such circumstances, Chamonix will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that Chamonix possesses such information), or not using such information for the client’s benefit, as a result of following Chamonix’ policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

In addition, this conflict and these procedures and practices may limit the freedom of the Adviser to enter into or exit from potentially profitable loans for its clients which could have an adverse effect on such clients’ results of operations.

### *Conflicts Related to Affiliate Transactions*

Conflicts may arise when a client participates in transactions in conjunction with other clients or a client of one of Chamonix’ affiliates, or in a transaction where another client or a client of such an affiliate has already participated. Certain opportunities may be appropriate for Chamonix’ clients and/or clients of Chamonix’ affiliates at the same, different or overlapping levels of an issuer’s capital structure. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether to enforce claims, whether to advocate

or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest. Certain clients of Chamonix's affiliates may lend to or invest in securities of companies in which other clients hold loans or securities, including equity securities. If such loans are made by a Co-Lender, the interests of such client may be in conflict with the interests of such other Co-Lender of Chamonix or client of one of Chamonix' affiliates, particularly in circumstances where the underlying borrower is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Chamonix' clients or clients of Chamonix' affiliates may be prohibited from exercising voting or other rights and may be subject to claims by other creditors with respect to the subordination of their interests. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, clients of Chamonix or its affiliates may or may not provide such additional capital, and if provided, each client will supply such additional capital in such amounts, if any, that it or its professional adviser (which may be Chamonix or an affiliate) determines to be in that client's best interest.

Employees and related persons of Chamonix and its affiliates have made or may make capital investments in or alongside certain clients of Chamonix, and therefore may have additional conflicting interests in connection with these investments. There can be no assurance that the return of a client participating in a transaction would be equal to and not less than another client participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A client may participate in opportunities that other clients of Chamonix or clients of Chamonix's affiliates have declined, and likewise, a client may decline to invest in opportunities in which other clients of Chamonix or clients of Chamonix's affiliates have invested. Chamonix has procedures designed and implemented to ensure that clients are treated fairly and equitably, and to seek to prevent conflicts from influencing the allocation of investment opportunities among clients.

#### *Conflicts Related to Principal Transactions*

Subject to the restrictions under Section 206(3) of the Advisers Act, the Adviser may engage in principal transactions between a client account and an affiliate's proprietary account, such as an affiliate that is part of Natixis CIB. A principal transaction occurs when Natixis CIB buys a loan for its own account or other interest from, or sells a loan or other interest to, an Adviser's client(s). For example, a principal transaction may occur if Natixis CIB pre-funds a loan and assumes the credit risk of the loan for a period of time, and later assigns the loan to a Co-Lender, Sub Debt Lender or private fund client. Such transactions create conflicts of interest because the Adviser as a subsidiary of Natixis North America LLC and therefore part of CIB may have an incentive to recommend transactions, or to negotiate terms of a transaction, that benefit its affiliate at the expense of the Co-Lender, Sub Debt Lender or private fund client.

To address such conflicts of interest, prior to settlement of any principal transaction, written disclosure must be provided to a client and the client's consent must be obtained. The written disclosure must state that the Adviser is acting as principal and describe the material terms of the transaction, which generally include: (i) Natixis CIB's original purchase price for any security or other instrument it sells to a client; (ii) the price Natixis CIB expects to receive on the resale of any security or other instrument it buys from a client; (iii) the price at which any security or other instrument could be bought or sold elsewhere when the price would be better for the client; and (iv) that Natixis CIB may be in possession of undisclosed material information.

#### Conflicts Related to the SAS Business:

#### *Conflicts Related to Ownership of Interests in Client Funds*

The Adviser or its affiliates may make substantial investments in the securities issued by client funds (including to satisfy applicable risk retention requirements of the U.S. or the European Union). Except in limited situations, such as removal of the Adviser for cause, the securities held by the Adviser or its affiliates will be able to vote on all matters. In such situations, there can be no assurance that the interests of the Adviser and/or its affiliates will be aligned with the holders of any particular class of securities issued by the client fund. The Adviser and its affiliates are expected to act in their own interests with respect to such votes, which may be disadvantageous to the interests of such other holders where their respective interests are adverse to one another.

#### *Conflicts related to side letters*

Private funds advised by Chamonix may enter into a side letter or other similar agreement with a particular investor in the fund without the approval or vote of any other investor. This may provide a particular investor with terms that are more favorable than those offered to other investors or with rebates intended to reduce the effect of fund fees on the investor's investment. Side letter agreements may also permit such investors to take actions based on information not available to other investors.

#### Conflicts Applicable to All Lines of Business

##### *Conflicts Related to the Adviser's Time Allocation*

The directors, members, officers, and other personnel of the Adviser may allocate their time between a client and other activities in which they may be involved. The Adviser devotes such time as is necessary to conduct each client's business affairs in an appropriate manner. However, the Adviser may simultaneously devote the resources necessary to managing its other activities.

##### *Conflicts Related to Professional Advisers and other Third Parties*

The Adviser and its clients may engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. In the event of a significant dispute or divergence of interest between the Adviser's clients, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and its clients may engage other common service providers. In such circumstances, there may be a conflict of interest between the Adviser and its clients in determining whether to engage such service providers, including the possibility that the Adviser may favor the engagement or continued engagement of such persons if it 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 Adviser's clients.

In the regular course of their investment banking businesses, Natixis CIB and certain other affiliates of the Adviser provide a broad range of advisory services and represent potential purchasers, sellers and other involved parties, including corporations, financial buyers, management, shareholders and institutions, with respect to assets which may be suitable for investment by Adviser's clients. In such cases, such an affiliate's client typically would not require the affiliate to act exclusively on its behalf, thereby precluding the Adviser's clients from acquiring such assets. Such affiliates will be under no obligation to decline such engagements in order to make the opportunity available to the Adviser's clients.

In addition, the Adviser may, in its discretion, have or cause its clients to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser. The Adviser's clients 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 Adviser and its clients in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser 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 Adviser and its affiliates may also actively engage governmental and non-governmental bodies, regulatory and self-regulatory agencies, industry trade associates and individual issuers to promote policies and practices that the Adviser and its affiliates believe will contribute to the success of certain transactions that the Adviser and its affiliates pursue on behalf of their clients. There is no guarantee that these engagement efforts will be successful, and they may lead to conflicts of interest. For example, the Adviser and its affiliates may advocate for policies, practices or courses of action that may benefit some clients but not others. Additionally, in connection with such engagement efforts, the Adviser or its affiliates may take positions in the interest of some clients that may be opposed to the interests of other clients. The Adviser will seek to mitigate such potential conflicts, though it may not be possible or appropriate to eliminate these conflicts in all cases.

Chamonix will seek to monitor such potential or actual conflicts and, when possible and where appropriate, will address or mitigate such conflicts. Chamonix has procedures designed and implemented to ensure that clients are treated fairly and equitably, and to seek to prevent conflicts from influencing the allocation of opportunities among clients.

#### *Conflicts Related to Cross Trades*

Pursuant to the relevant Client Documents, Chamonix may from time to time effect client cross trades, i.e., purchases or sales directly between two different clients. For example, Chamonix might arrange for a client that is liquidating its portfolio or a particular loan or security as the case may be for the Real Assets Business or the SAS Business, respectively, to sell all or part of such loan or security or that portfolio to another client that might be building its portfolio. In such cases, the Adviser may have conflicting responsibilities between the two clients that are party to the trade. Subject to the terms of the relevant Client Documents, the Adviser may engage in client cross trades any time it believes such a transaction to be fair to each of the relevant clients.

#### *Conflicts Related to the Adviser*

The Adviser has contracted, and in the future may, in its discretion, contract with any related person of the Adviser to perform services for the Adviser in connection with its provision of services to Adviser's clients. When engaging a related person to provide such services, the Adviser may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser generally may, in its discretion, recommend to a client that it contract for services with (i) the Adviser or a related person of the Adviser or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser may, because of its financial or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser, its affiliates, and members, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to its clients. In addition, officers, principals and employees may buy securities or other instruments in transactions offered to but rejected by the Adviser's clients. Such transactions will be subject to the policies and procedures set forth in the Adviser's Code of Ethics.

Because certain expenses will be paid for by a client or, if incurred by the Adviser, will be reimbursed by a client, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a client to incur) such expenses.

## **Item 12. Brokerage Practices**

Considering its fiduciary obligations, Chamonix has adopted written policies to address issues that might arise with respect to all transactions made on behalf of clients. Chamonix seeks to obtain best price and execution for all transactions made on behalf of its clients and will exercise diligence and care throughout the transaction process.

Chamonix currently does not use soft dollars to acquire third-party research. The Adviser will revise its policy regarding the use of soft dollars to the extent it changes these practices in the future.

### *Real Assets Business*

Chamonix seeks to present lending opportunities to clients in a manner that is fair and equitable to all clients, and to exercise diligence and care throughout the transaction process. The majority of lending opportunities do not represent market-traded instruments and are instead unique assets that are only available from one or a limited number of sources (*i.e.*, there is no meaningful market). Consequently, Chamonix will source opportunities only from Natixis CIB. Although Chamonix does not typically exercise investment discretion on behalf of Co-Lenders or Sub Debt Lenders with respect to the decision to engage in a loan or assign or otherwise seek to de-risk a loan, in seeking to facilitate execution of transactions in the best interests of clients, Chamonix may consider one or more of the following factors, as applicable, in connection with its recommendations to clients:

- The best price possible under the particular circumstances of the transaction (*e.g.*, for a sale transaction, Natixis CIB may determine that the best price may be achieved through price negotiations with a limited number of counterparties);
- The structure and magnitude of fees compared to fee benchmarks for similar transactions sourced by Natixis CIB and other investment banks;
- Whether the legal terms of a loan are protective and otherwise favorable to Co- Lenders or Sub Debt Lenders (as the case may be);
- Whether the portion of an underlying facility allocated to Co-Lenders or Sub Debt Lenders (as the case may be) was reduced from the maximum lending allocation indicated by such client(s);
- The portion of an underlying facility allocated to Co-Lenders or Sub Debt Lenders (as the case may be) in relation to the portion allocated to any Priority Partners;
- Natixis CIB's ability to commit capital and/or financing quickly considering the size of the transaction;
- The financial strength and creditworthiness of Natixis CIB; and



- Natixis CIB's specialized knowledge or experience in a particular market or with respect to a particular asset/borrower.

Chamonix does not permit clients to direct brokerage activities, nor does Chamonix routinely recommend, request or require that a client direct Chamonix to execute transactions through a specified broker-dealer.

For a discussion of Chamonix's policies with respect to the allocation of lending opportunities among its clients, please refer to Item 11 of this Brochure.

### *SAS Business*

#### Selection of Brokers and Dealers

In many cases, the Adviser has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions on behalf of clients. In placing portfolio transactions for clients, the Adviser seeks to obtain the "best execution" for client accounts, taking into account the price of a security or other asset offered by the broker-dealer, number of brokers willing to offer/buy securities as well as a broker-dealer's responsiveness, probability of execution and settlement, size of order relative to market liquidity, global relationship factors, and the Adviser's legal and credit assessment of the broker-dealer, among other factors. In seeking "best execution," the Adviser is not obligated to choose the broker-dealer or counterparty with the lowest execution cost or highest total proceeds to the client, but primarily considers whether the transaction represents the best qualitative execution under the circumstances for the client, considering the reputability and reliability of the counterparty or executing broker or dealer, among other facts and circumstances.

In addition, the Adviser may consider the use of Electronic Communications Networks when placing trades on behalf of clients.

In order to monitor best execution, the Adviser, in consultation with members of its compliance department, periodically monitors broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and its clients. The portfolio managers are responsible for monitoring client accounts for compliance with the Adviser's policy on best execution, based on information and reviews of the Adviser's Best Execution Committee.

#### Aggregation of Trades

Chamonix will (but is not required to) aggregate the orders of more than one client account for the purchase or sale of the same security or other asset subject to its duty to seek best execution. For example, orders may be aggregated to realize economies of scale, to possibly receive better market executions or to obtain better overall prices, including lower commission costs or mark-ups or mark-downs.

Aggregation opportunities generally arise when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. In such event, execution costs will be allocated among participating client accounts pro rata based on securities purchased or sold, and securities purchased or sold will be allocated among participating client accounts on an average price basis.

When an aggregated order is only partially filled, the investment opportunity will be allocated among participating clients on a pro rata basis, unless other factors are required, based on each client's initial participation in the transaction.

### **Item 13. Review of Accounts**

#### *Real Assets Business*

#### Oversight and Monitoring

The loans in which Co-Lenders and Sub Debt Lenders lend are generally long-term in nature and illiquid. Accordingly, the review process generally is not directed toward short-term buy or sell decisions. The Adviser will conduct a review at the time a client engages in an opportunity, to ensure the loan is in compliance with the client's objectives and restrictions. Chamonix monitors all loans on a regular basis and provides its clients with access to asset-level reviews, SMA account statements and similar updates as requested or required by each such client. Special reviews may be triggered by significant changes in the market. Chamonix will delegate certain loan monitoring functions to third parties, including without limitation, to one or more of its affiliates as part of the ongoing loan management process.

#### Reporting

The nature and frequency of regular reports provided to clients depends on the terms of the relevant Client Documents and any applicable regulatory requirements. In general, written reports are provided to clients in accordance with the specific requirements of each such client that are set out in the Client Documents.

#### *SAS Business*

#### Oversight and Monitoring

Day-to-day management of client portfolios and monitoring of performance and compliance with investment guidelines, to the extent contemplated under the Client Documents for the relevant client, are carried out by certain members of Chamonix. Chamonix will delegate certain loan monitoring functions to third parties, including without limitation, to one or more of its affiliates as part of the ongoing loan management process.

#### Reporting

Investors in investment funds managed by Chamonix will receive reports, in accordance with SEC rules and each fund's governing documents. Copies of audited financial statements, if appropriate, of such investment funds within 120 days after the fiscal year end of the investment fund, as well as semi-annual unaudited management reports within 120 days after the end of each six-month period will be provided to investors. Chamonix may from time to time, in its sole discretion, provide additional information relating to such client accounts and/or investments to one or more investors in such client accounts as it deems appropriate.

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

The Adviser may from time to time pay compensation to third-party solicitors or to affiliates for client referrals pursuant to a written agreement with such solicitor. Where applicable, endorsements are structured to comply fully with the requirements of Rule 206(4)-1(b) under the Advisers Act and related SEC staff interpretations.

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

### **Item 15. Custody**

Depending on the arrangements with a particular client, Chamonix may be deemed to have "custody" of client funds under SEC Rule 206(4)-2 under the Advisers Act. Chamonix may be deemed to have "custody" because, in certain cases, (1) it holds original copies of certain Client Documents; (2) it has arrangements that authorize it to have its fees deducted from client accounts; and/or (3) it has authority to instruct a client's custodian to wire fees in connection with a purchase

of a loan.

With respect to the SAS Business, Chamonix is not anticipated to have custody of any CLO assets for which Chamonix serves solely as collateral manager unless a related person serves as trustee.

Generally, in circumstances where Chamonix is deemed to have “custody,” (1) Chamonix will have a reasonable basis, after due inquiry, for believing that the client’s custodian sends an account statement, at least quarterly, to such client; and (2) surprise examinations will be conducted annually to verify the existence of assets in the client’s account. If Chamonix is deemed to have “custody” solely as a consequence of its authority to deduct its fees from client accounts, however, it will not be required to obtain a surprise examination.

Clients should carefully review all account statements received from the custodian and, to the extent they also receive account statements from Chamonix, should compare the Chamonix statements with those received from the custodian.

## **Item 16. Investment Discretion**

### *Real Assets Business*

As discussed in greater detail under Item 4 above, Co-Lenders and Sub Debt Lenders typically retain the Adviser on a non-discretionary basis in connection with the Real Assets Business. When Chamonix is retained on a non-discretionary basis, it will generally make recommendations for the client’s account, but all material decisions will be made by the client and all transactions will be executed only by the client or otherwise in accordance with the associated Client Documents.

### *SAS Business*

The Adviser generally has full investment discretion to buy and sell loans and investments on behalf of structured funds such as CLOs and, if so provided in the relevant Client Documents, has investment discretion over separately managed client accounts. Investment discretion allows the Adviser to make investment decisions and to direct the execution of transactions for a client’s account (subject to the investment objectives and guidelines applicable to the account) without consulting with the client in connection with each transaction. Prior to accepting investment discretion, the Adviser must have a signed investment advisory agreement with respect to the assets over which the Adviser will have discretion. Investment restrictions for clients are disclosed in the Client Documents.

## **Item 17. Voting Client Securities**

Chamonix’ clients may from time-to-time hold voting stock (equity) as a result of, for example, a workout or foreclosure, and in such cases, proxies solicited in any shareholder vote would be voted by Chamonix on behalf of such clients.

### Voting Waivers and Consents

For both the SAS Business and the Real Assets Business, Chamonix may be asked to consent to waivers or amendments to credit agreements, make elections with respect to corporate reorganizations or take similar corporate actions (collectively, “Proxies”), in each case respect of loans or other obligations managed by the Adviser and held by clients or held in client funds. In such cases, Proxies would be exercised by Chamonix on behalf of such clients as further defined in applicable Client Documents. In doing so, Chamonix will in its reasonable discretion evaluate such requests in accordance with the Client Documents with a view to acting in a manner that best serves the interests of the relevant client and avoids any negative impacts on such client,

considering, among other possible considerations, the impact on the client's economic interests, anticipated fees, costs and expenses, standard industry and business practices and any conflicts of interest that may arise.

Chamonix' compliance manual and/or Client Documents sets forth the principles and procedures by which, on behalf of its clients, Chamonix exercises any Proxies. These policies and procedures will be designed to help verify that such decisions are made in the best interests of the clients in accordance with Chamonix's fiduciary duties and Rule 206(4)-6 under the Advisers Act.

Finally, the guiding principle by which Chamonix exercises any Proxy is to do so in the best interests of clients by maximizing the economic value of each client's holdings, taking into account the relevant client's investment horizon, the contractual obligations under the relevant advisory agreements or Client Documents, and other relevant facts and circumstances at the time of such exercise.

Chamonix's CCO or his or her delegate is responsible for confirming that Chamonix is not aware of any conflicts of interest that may arise between Chamonix and its affiliates, on the one hand, and the interests of its clients, on the other, regardless of whether these conflicts are actual or perceived. Once a conflict of interest is identified, the CCO or his or her delegate will collect the recommendation of Chamonix's personnel handling the associated Proxies and decide together with them whether to implement the recommendation or whether to exercise differently. The CCO or his or her delegate may also seek additional justification for the exercise if deemed necessary to show that the conflict of interest was adequately addressed.

Where the Adviser's CCO deems appropriate, unaffiliated third parties may be used to help resolve conflicts. In this regard, the Adviser's CCO shall have the power to retain independent fiduciaries, consultants, or professionals to assist with such decisions and/or to delegate such exercise to such fiduciaries, consultants or professionals.

Copies of relevant Proxy logs, identifying how such items were exercised and copies of such Proxy exercise policies will be available to any client or prospective client upon written request to Chamonix at the following address: Chamonix Partners Capital Management LLC, 1251 Avenue of the Americas, New York, NY 10020, Attn: Chief Compliance Officer.

#### **Item 18. Financial Information**

Chamonix does not require prepayment of more than \$1,200 in fees, six or more months in advance, nor is it aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. In addition, Chamonix has not been the subject of any bankruptcy petition at any time during the past ten years.