

## **Item 1 – Cover Page**

Magari Advisors, LLC

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March 29, 2024

This Form ADV Part 2a Brochure is filed with our annual amendment application provides information about the qualifications and business practices of Magari Advisors, LLC (“Magari Advisors”). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Magari Advisors is a Registered Investment Adviser with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Magari Advisors also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with Magari Advisors who are registered, or are required to be registered, as investment adviser representatives of Magari Advisors.

Any questions about the content of this Brochure may be addressed to Sui Keng Li, Manager/Chief Compliance Officer at 212-710-6608 or [mli@dynamiccredit.com](mailto:mli@dynamiccredit.com).

## **Item 2 – Material Changes**

This Brochure dated March 29, 2024 is an update to a Form ADV Part 2a Brochure which was filed on March 10, 2023.

There are several material changes to our previous Form ADV Part 2a which are listed below.

The Brochure:

- updates that Dynamic Credit Partners, LLC no longer leases space from Magari Advisors, LLC
- updates the client assets of Magari Advisors which solely include the US loan investments of the Dynamic Credit Diversified Loan Fund (“DLF”) which is managed by Dynamic Credit Partners Europe B.V. (“DCPE”). Magari Advisors does not manage or advise on any funds directly, and only provides non-discretionary investment advisory services to a foreign investment advisor.
- update that Magari Advisors, LLC does not have any revenue sources other than derived from its sole client.

We will deliver information about our qualifications and business practices to clients on at least an annual basis. Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 90 days of the close of our business’ fiscal year or as necessary based on changes or new information, at any time, without charge. We may further provide other ongoing disclosure information about material changes as necessary.

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#### **Item 4 – Investment Advisory Business**

Magari Advisors is an investment advisory firm founded by Tonko Gast in 2013 with offices in New York City. Magari Advisors is wholly owned by Magari Holding B.V., which is wholly owned by Tonko Gast. Magari Advisors has entered into an advisory services agreement with Dynamic Credit Partners Europe B.V. (“**DCPE**”), an investment manager based in the Netherlands, and provides investment advisory services for approximately \$122.7 million of US loan investments as of December 31, 2023. The investment advisory services are provided on a non-discretionary basis and all investment decisions are ultimately the responsibility of DCPE. DCPE is the investment manager to the Dynamic Credit Diversified Loan Fund (“**DLF**”), a sub-fund of the Dynamic Credit Irish Collective Asset-Management Vehicle (“**ICAV**”). The DLF invests in loans to individual consumers and small businesses in the US and Europe originated by various bank and non-bank originators.

The services provided by Magari Advisors under its investment advisory services to DCPE primarily cover US loan investments and may include, but are not limited to:

- a) make recommendations to DCPE as to the composition and allocation of investments, the nature and timing of the changes therein and the manner of implementing such changes, including recommendations as to the specific securities and other assets to be purchased, retained, or sold;
- b) place orders with respect to, and arrange for, any investment (including, as authorized, executing and delivering all documents relating to investments on behalf of DCPE), upon receiving a proper instruction from DCPE;
- c) assist DCPE in identifying, evaluating and negotiating the structure of investments;
- d) assist DCPE in monitoring and servicing investments;
- e) assist DCPE in performing due diligence on prospective investments; and
- f) provide DCPE with such other research and related services as DCPE may, from time to time, reasonably require.

None of the funds advised by DCPE are regulated by the SEC.

Currently, Magari Advisors solely provides investment advice and recommendations to DCPE with regards to loan investments. All investment decisions are ultimately the responsibility of, and executed by, DCPE.

Magari Advisors does not participate in wrap fee programs.

## **Item 5 – Fees and Compensation**

Under its advisory services agreement with DCPE, Magari Advisors receives compensation from DCPE under a cost-plus method equal to its monthly incurred costs and expenses plus an additional fixed margin of 10%. Magari Advisors bills DCPE for the fees incurred on a monthly basis, in arrears. As of the date of this Brochure, Magari Advisors does not receive any other compensation or fees other than the fees it receives from DCPE which are subject to certain termination provisions.

Magari Advisors' fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which would be incurred by the fund or client, as applicable. Funds or clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to Magari Advisors' fees and Magari Advisors does not and would not receive any portion of these commissions or fees.

Item 12 further describes the factors that Magari Advisors considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Magari Advisors does not charge performance-based fees and currently only has one client.

**Item 7 – Types of Clients**

Magari Advisors currently only has one client, DCPE, which is a foreign investment advisor.

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

Magari Advisors uses various methods of analysis, including, but not limited to, economic, fundamental, technical and quantitative analysis:

- Economic analysis, among other things, emphasizes daily and historical review of economic and financial data which impact short, intermediate and long-term credit performance (default, recovery and downgrade) and interest rate movements.
- Fundamental analysis, among other things, emphasizes reviewing credit risk characteristics of the loans based on historical credit performance of similar loans.
- Technical analysis, among other things, involves historical analysis of issuance coupons, yields, secondary trading levels when available, and other indicators as may be deemed appropriate.
- Quantitative analysis involves, among other things, analysis of risk/return characteristics of loans and loan portfolios, using both proprietary and non-proprietary tools to assess risk and value of potential investments. Proprietary modeling capabilities include, among other things, default risk projections and scenario-based cash flow analysis.

Magari Advisors primarily provides investment advisory services on US loan investments. Investments in loans, and fixed income investments generally, involve the risk of loss due to, but not limited to, the following material risks:

- Credit: Borrowers are solely responsible for loan payments and there is no assurance that any or all payments will be made
- Interest Rate: Loans are generally fixed rate instruments, and the coupon or yield may not be sufficient to compensate for prevailing interest rates.
- Market: The market value of loans may be volatile due to market factors, such as, but not limited to, required rates of return, credit assumptions, and other market factors
- Operational: Operational failures may impact the collection of borrower payments by originating and servicing partners
- Fraud: Loan investments may be impacted by fraudulent activities by borrowers and/or originating and servicing partners
- Legal: Consumer lending is a highly regulated activity and there is no assurance that the legal status of loans will not be impacted by regulatory or legal changes
- Liquidity: There may be a limited market for loans and/or transfer restrictions, which impact the ability of investors to sell loan investments.
- Investor Suitability: Loan investments may not be appropriate for all investors and may involve a high degree of risk and are suitable only for sophisticated investors who are capable of understanding and assuming the risks involved.



**Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Magari Advisors. Magari Advisors has no information applicable to this Item.

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

Tonko Gast is the sole shareholder of Magari Holding B.V., the owner of Magari Advisors.

Tonko Gast is the CEO of the Dynamic Credit Group B.V. (“DCG”) which is located in the Netherlands. DCPE and its affiliates are subsidiaries of DCG. BNP Paribas Asset Management Holding SA is a majority shareholder of DCG and Magari Holding B.V. is a minority shareholder of DCG.

DCPE, the sole client of Magari Advisors, LLC, is a fixed income asset management and advisory firm that is registered with the Netherlands Authority for Financial Markets (AFM). In addition to managing the Dynamic Credit Diversified Loan Fund (“DLF”), DCPE and its affiliates also originate mortgages in the Netherlands as well as provides risk analysis solutions for clients.

Magari Advisors, f/k/a Dynamic Credit Advisors, LLC, was formerly a direct affiliate of DCPE and continues to maintain a close relationship with DCPE that may create material conflicts of interest that investors should be aware of:

- DCPE is the sole client of Magari Advisors and thus has a disproportionate impact on the financial position of Magari Advisors. While Magari Advisors retains its own independent tax advisor, the finance department of DCPE maintains the financial records of Magari Advisors and is responsible for calculating its fee payments.
- DCPE maintains the email system, information technology infrastructure, and record retention systems used by Magari Advisors

Mr. Gast is also a minority shareholder in Dynamic Credit Partners, LLC (d/b/a Legacy DCP, LLC), a US investment advisor that deregistered as a Registered Investment Adviser with the SEC in 2022.

## **Item 11 – Code of Ethics**

Magari Advisors has adopted a Code of Ethics and Compliance and Procedures Manual for all supervised persons of the firm. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons of Magari Advisors must acknowledge the terms of the Code of Ethics annually, or as amended.

Magari Advisors, and its supervised persons, may purchase and sell securities for its own account, including securities owned by clients of Magari Advisors. In appropriate circumstances consistent with clients' investment objectives, Magari Advisors may recommend to its clients, the purchase or sale of securities in which Magari Advisors, its affiliates and/or clients, directly or indirectly, have a position of interest. Supervised persons of Magari Advisors are required to follow Magari Advisors' Code of Ethics. In accordance with Section 204A and Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"), the Code of Ethics requires that all employees report personal securities transactions and holdings on a timely basis.

Clients or prospective clients may request a copy of the firm's Code of Ethics and Compliance Manual by contacting Sui Keng Li, Chief Compliance Officer at [mli@dynamiccredit.com](mailto:mli@dynamiccredit.com) or 212-710-6608.

## Item 12 – Brokerage Practices

- Soft Dollar Arrangements: Magari Advisors does not currently participate in any “soft dollar” arrangements.
- Brokerage for Client Referrals: Magari Advisors may advise on investments on behalf of its clients within the constraints set forth within the relevant transaction documents but does not currently accept client referrals nor engage in any such practice.
- Magari Advisors may advise on a broker (dealer) to facilitate the purchase or sale of securities for its clients. Commissions are not commonplace for the type of securities that Magari Advisors may sell, but in case there are any payable brokerage commissions, that would be just one factor taken into account when selecting the broker (or dealer). Magari has not accepted any such commissions since inception.
- Under existing arrangements, clients advised by Magari Advisors may bear the expenses of specific data or analytic tools from independent research services, but such paid data, tools and research are not provided by any of the brokers or dealers with whom Magari Advisors does business.
- Directed Brokerage – Bulk Trades: Magari Advisors may advise its clients with regards to multiple portfolios at any given time. While each portfolio typically has its own eligibility criteria, it is not uncommon for portfolios to have overlapping criteria. When criteria overlap, Magari Advisors may advise on a single trade that may be allocated across any number of different portfolios (a “Bulk Trade”) and will consider many different factors before the trades are executed and allocated. In addition to eligibility criteria, the portfolio may be in a different stage of their “life cycle,” impacting the suitability and/or size of any sale.

Bulk Trades will not be allocated to a particular portfolio solely to enhance the return or risk profile of the one investment portfolio without careful consideration of other qualifying portfolios. After careful consideration and analysis of all the factors, the security will be allocated in sizes appropriate to the portfolio(s) and the eligibility criteria of the portfolio(s). If all factors related to multiple portfolios were equal, the bulk trade would be allocated equally between them.

- Magari Advisors exercises due care in accordance with industry standards when acting in its fiduciary capacity as an investment advisor.

### **Items 13 – Review of Accounts**

Magari Advisors does not directly manage any funds and solely provides non-discretionary investment advice to DCPE, a foreign investment advisor.

For clients of DCPE, these reviews are performed by Magari Advisors in conjunction with DCPE and the fund administrator.

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

Magari Advisors does not expect to pay a fee to entities that introduce business to Magari Advisors. No such payments are currently made.

**Item 15 – Custody**

Magari Advisors only provides investment advice to an affiliated foreign advisor and does not have custody of any client assets according to Rule 206(4)-2 under the Investment Advisers Act of 1940. Magari Advisors does not hold, directly or indirectly, client funds or securities, does not have any authority to independently obtain possession of them, does not hold any client's certificates or cash (even temporarily), does not have the authority to independently withdraw any funds or securities from a client's account, and does not act in any capacity that gives it legal ownership or independent direct access to client funds or securities.

**Item 16 – Investment Discretion**

Magari Advisors has no discretionary investment mandates.



**Item 17 – Voting Client Securities**

Magari Advisors has no discretionary investment mandates and thus does not exercise voting authority with respect to client securities.

**Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about its financial condition. As of the date of this filing, Magari Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of bankruptcy proceedings.