

Item 1: Cover Page

## Form ADV Part 2A Brochure

# Matterhorn Capital Advisors, LLC

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March 2024

This brochure provides information about the qualifications and business practices of Matterhorn Capital Advisors, LLC ("Matterhorn"). If you have any questions about the contents of this brochure, please contact us at [ryan.mclaughlin@matterhorncp.com](mailto:ryan.mclaughlin@matterhorncp.com). The information in this brochure has not been approved or verified by the United States securities and Exchange Commission ("SEC") or by any state securities authority. Matterhorn's registration with the SEC does not imply a certain level of skill and/or training.

Additional information about Matterhorn also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

This current brochure dated March 2024 has been prepared in accordance with the rules promulgated by the Securities and Exchange Commission. This is an annual amendment. Matterhorn Capital Advisors, LLC registration with the SEC became effective May 1, 2023. There have been no material changes since the initial filing.

**You are encouraged to read this Brochure in its entirety.**

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## Item 4: Advisory Business

Matterhorn is an investment management firm founded in 2020 by its principal owner, Louis (Trey) Ott, that specializes in credit opportunities in the lower and middle market corporate and real estate debt. Our experienced, credit-oriented team focuses on financing the smaller transactions. Matterhorn's sources deal flow through our proprietary network. We structure off-network deals and creative transactions that seek to provide excess returns for our investors. At Matterhorn, our goal is to balance positive returns to our investors with the need for reasonably priced capital to enable our borrowers to realize their own financial goals.

Matterhorn serves as the management company to Matterhorn Capital Partners, LP, a private fund ("Client") that seeks to offer eligible investors, including but not limited to, individual high net worth investors, family offices, foundations, endowments, fund of funds, and registered investment advisers, opportunities to invest in structured real estate debt, corporate debt, and tactical credit.

Investment advisory services are tailored to the Client's investment objective and strategy. In selecting and structuring investments appropriate for the Client, and otherwise while acting in its capacity as the management company of the Client, Matterhorn will consider the investment and tax objectives of the Client as a whole, and not the strategic, investment, tax, or other objectives of any Limited Partner individually.

The Client is available for investment via a "private offering," and is only intended only for investment by investors who are both (i) "qualified purchasers" as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "Investment Company Act") and (ii) "accredited investors," as defined under the Securities Act of 1933, as amended (the "Securities Act"). The Client intends to seek investments on an open-ended basis for so long as we believe the opportunity for the Client's investments remains attractive and available. The Client's General Partner reserves the right to suspend or terminate the offering of the interests in the Client at any time without notice.

Matterhorn does not provide portfolio management services through wrap fee programs.

As-of December 31, 2023, Matterhorn manages \$246,335,432 on a discretionary basis.

## Item 5: Fees and Compensation

The Client will pay Matterhorn a monthly management fee, payable in arrears, calculated and accrued monthly, equal to 0.125% (i.e., 1.5% per year) of each Limited Partner's capital account balance as of the last day of such month (after all allocations of net profits and net losses have been made through the end of such month and after taking into account all withdrawal amounts paid during such calendar month). Management fee payments will be debited from each Limited Partner's capital account as of the end of the month in which the management fee is paid.

If the General Partner of the Client admits an investor as a Limited Partner of the Client at other than the first day of any month, or permits an investor to withdraw from the Client at other than the last day of any month, such investor will bear a prorated portion of the monthly management fee based on the number of days in the month in which such investor is a Limited Partner of the Client. The General Partner of the Client reserves the right to reduce or waive the management fee payable by the Client

with respect to any Limited Partner without the consent of, or obligation to provide notice or the same reduction or waiver to, any other Limited Partner.

The Client bears all of its operating expenses (collectively, the “Fund Expenses”) including (but not limited to):

- (1) management fees;
- (2) fees paid to the Client’s administrator;
- (3) professional service fees including legal, compliance, audit, accounting, and tax preparation fees and expenses;
- (4) organizational and offering expenses;
- (5) regulatory filing fees and costs of routine regulatory examination of the Client;
- (6) fees and expenses of consultants, advisors, and sub-advisers;
- (7) distribution expenses, including “blue sky” costs, if any;
- (8) investment acquisition expenses such as commissions and similar contract fees and research fees and expenses related to such acquired investments;
- (9) valuation and market data related expenses, including costs associated with news, quotation, analytics, communication tools, and similar information and pricing services;
- (10) insurance premiums;
- (11) taxes imposed on the Client by any governmental authority under current law, rules, and regulations;
- (12) expenses of the transfer, receipt, safekeeping, servicing, and accounting for the interests in the Client, and the Client’s securities, cash, or other property;
- (13) custodial fees;
- (14) other fees and commissions and expenses directly related to the purchase and sale of investments by the Client;
- (15) fees, costs, and interest due in respect of litigation involving the Client;
- (16) transaction expenses incurred in connection with any sale, transfer, disposition, or other capital transaction, including a refinancing or recapitalization involving cash distributions to the Client, involving the investments;
- (17) indemnification expenses and the Client’s obligations with respect to the advancement of expenses;
- (18) certain expenses associated with any non-routine regulatory inquiries or examinations of the Client and, in connection with the Client’s affairs, the Client’s General Partner, Matterhorn, or any of their respective affiliates if the expenses would be indemnifiable if incurred by a person entitled to indemnity from the Client, or if they relate to certain regulatory proceedings of others;

(19) taxes imposed on the Client by any governmental authority because of a change in law;

(20) expenses of meetings called by any Limited Partner;

(21) expenses relating to defaults by Limited Partners in their obligations under the Client's Partnership Agreement or its Subscription Agreements, where such expenses are not otherwise allocated to and satisfied by such defaulting Limited Partners;

(22) broken deal expenses such as those incurred with developing, researching, evaluating, structuring, or negotiating investments which are ultimately not consummated by the Client including (but not limited to) costs of third-party research, reasonable travel, professional advisors (including attorneys, accountants, and consultants) and other expenses incurred in sourcing activities related to specific transactions that are worked on but never consummated;

(23) travel expenses and other due diligence expenses incurred in researching potential investment opportunities and managing the Client's investment portfolio: and

(24) other expenses incurred by the Client by reason of the actions of Limited Partners which are not reimbursed to the Client by the applicable Limited Partner (or a person acting on such Limited Partner's behalf) (including by withholding against amounts otherwise distributable or payable by the Client to such Limited Partner), provided that such expenses would otherwise be subject to (and not excluded from) indemnification under the terms of the Partnership Agreement if incurred by an indemnified person.

All Client expenses will be charged to all Limited Partners on a monthly basis, in arrears, in proportion to their respective capital account balances with the Client as of the beginning of the month in which the expense was incurred.

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

Subject to the Hurdle Rate and the Loss Recovery Account discussed below, if for any Fiscal Year end of the Client a Limited Partner receives an allocation of net profits, an amount equal to seventeen and one-half percent (17.5%) of such net profits (taking into account realized and unrealized gains and losses) will be reallocated to the capital account of the Special Limited Partner (the "Incentive Allocation"); provided that, for purposes of calculating the Incentive Allocation owing with respect to any Limited Partner from time to time, such Partner's allocable share of aggregate Net Profits and Net Losses associated with all Investments in which such Partner participates shall be included, including, without limitation, distressed investments held in distressed side pocket accounts and investments held in withdrawal side pocket accounts in which such Partner is a participating partner. In the event that a Partner withdraws capital or retires at any time other than at the end of a Fiscal Year, such reallocation will be made with respect to such Partner as though it were being made at the end of a Fiscal Year, as adjusted to reflect the Hurdle Rate through the actual date of such capital withdrawal or retirement. The General Partner, in its sole discretion, may waive or modify the Incentive Allocation for Limited Partners that are members, partners, employees, or affiliates of the General Partner or the Management Company, relatives of such persons, and for certain large or strategic investors.

No Incentive Allocation will be made from the Capital Account of a particular Limited Partner with respect to a Fiscal Year unless such Limited Partner's share of Net Profits is sufficient to generate an

annual rate of return in such Fiscal Year in excess of seven percent (7%), based on the ending Capital Account balance of such Limited Partner as compared to the beginning of such Fiscal Year, as adjusted to reflect any capital contributions or Withdrawals made or received by the Limited Partner during the Fiscal Year (each, a “Hurdle Rate”). For the avoidance of doubt, the seven percent (7%) Hurdle Rate is an annualized rate that will be adjusted downward, as necessary to achieve a seven percent (7%) annualized rate, for any period less than the entire Fiscal Year for which capital is invested in the Fund; provided that the annual Net Profits upon which the calculation of the Incentive Allocation will be based will be reduced to the extent of any unrecovered balance remaining in the Loss Recovery Account (as defined below) for such Limited Partner’s Capital Account at the time of such calculation and immediately prior to giving effect to the adjustment required to the Loss Recovery Account for any annual Net Profits in that Fiscal Year.

The Fund will maintain a memorandum loss recovery account for each Capital Account (a “Loss Recovery Account”). Each Loss Recovery Account will be debited at the end of each Fiscal Year with the Net Losses of the Fund (if any) allocable to the related Capital Account for that Fiscal Year. The Special Limited Partner will not receive an Incentive Allocation attributable to a Capital Account until the Limited Partner has recovered the Net Losses, if any, debited from the Loss Recovery Account by the application of the Net Profits of the Fund allocable to the Capital Account (as adjusted for any withdrawals of the Limited Partner’s Capital Account balance attributable to the Capital Account).

For the avoidance of doubt, if an Incentive Allocation is made to the Special Limited Partner in respect of a Limited Partner’s Capital Account and a loss is subsequently allocated to such Limited Partner’s Capital Account, the Special Limited Partner is entitled to retain all Incentive Allocations previously allocated to it from that Capital Account.

## Item 7: Types of Clients

The firm’s sole client is the private fund, Matterhorn Capital Partners, LP. The Client seeks to offer its investors opportunities to invest in structured real estate debt, corporate debt, and tactical credit.

The limited partnership interests (the “Interests”) of Matterhorn Capital Partners, LP have not been registered with the SEC or with any state securities commission or any other regulatory authority. The Interests are offered only to qualified investors in reliance upon an exemption from the registration requirements of federal and state securities laws and cannot be resold unless they are subsequently registered under such laws or unless an exemption from registration is available.

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

### A. Methods of Analysis & Investment Strategies

The purchase of the Interests in the Fund involves certain risks and is suitable only for persons of substantial financial means who have no need for liquidity in their investment and who can bear the risk of potential loss of their investment.

Matterhorn is primarily focused on credit transactions. Credit strategies typically seek to invest, directly or indirectly, in companies in the form of directly originated, privately negotiated debt (secured or

unsecured), including first lien, second lien, unitranche, and mezzanine debt, and in certain cases with corresponding equity components.

Matterhorn seeks to source credit investments within three verticals: structured real estate debt, corporate debt, and tactical credit.

#### STRUCTURED REAL ESTATE DEBT

The structured real estate debt strategy primarily seeks to leverage Matterhorn's strategic relationships to provide subordinated debt and debt-like preferred equity for multifamily, hospitality, retail, mixed-use and office real estate development, and transitional properties.

#### CORPORATE DEBT

The corporate debt strategy primarily seeks to leverage Matterhorn's direct origination capabilities to provide opportunistic debt capital to private lower and middle market companies for growth, refinancing/recapitalization, or securitizations, among other uses.

#### TACTICAL CREDIT

The Tactical Credit strategy primarily seeks to leverage Matterhorn's experience investing across the public credit markets to opportunistically deploy capital into publicly traded debt investments where it believes pricing dislocation exists. These investments typically exhibit an element of distress, disruption, or disfunction that is causing the pricing dislocation in the market. Matterhorn's investment process combines detailed bottom-up and top-down analyses with a focus on capital preservation and valuation discipline.

#### SCREENING AND DUE DILIGENCE

Matterhorn intends to subject each investment opportunity to an initial screening process in order to ensure that it fits with the overall investment strategy of the Fund. During the initial screening process, Matterhorn develops an understanding of the prospective transaction by evaluating the business and collateral, key investment considerations, and financial profile. Matterhorn identifies potential risks, key drivers of profitability and cash flow, and focus areas for future due diligence. Where the results of an initial screening are satisfactory, the firm will review the contemplated transaction structure and valuation in order to determine whether they are within a reasonable range for negotiation. If this assessment meets the investment criteria, a due diligence phase in respect of that investment opportunity will be undertaken.

The due diligence carried out by the firm will typically include a comprehensive review of the investment opportunity to develop an understanding of the business, industry dynamics, management experience, historical and projected financial information and trends, relative and intrinsic valuation trends and potential sources of future repayment.

After due diligence has been completed, Matterhorn will focus on finalizing the deal structure and valuation. Matterhorn views deal structuring as an important element of the underwriting process as it helps mitigate key risks and concerns. The firm typically seeks to achieve this risk mitigation by inserting structures and covenants into the transaction documents that it believes to be favorable. Matterhorn views valuation as another important element of the transaction. Final valuation of the transaction



depends on the outcome of Matterhorn's financial and valuation analysis completed in due diligence. The firm will negotiate final valuation with the prospective borrower and will only pursue the transaction if the opportunity offers an attractive risk-adjusted return with ample downside protection.

Once the final structure and valuation have been agreed to, the investment is presented to Matterhorn's Investment Committee for final approval of the transaction. The deal team will present the transaction to the Investment Committee. The deal team and Investment Committee will discuss their thoughts and opinions on the transaction. Ultimately, the Investment Committee provide final approval and the transaction typically closes shortly thereafter.

## B. Risk of Loss & Categories of Risk

### GENERAL INVESTMENT RISK FACTORS

**Changes in global capital markets and the economy generally may materially and adversely affect operations.** The Fund's debt and equity positions and ability to deploy capital may be materially affected by changes in the global capital markets and the economy generally, both in the United States and elsewhere around the world. Concerns over inflation, energy costs, geopolitical issues, domestic and global terrorism, the availability and cost of credit, the U.S. investment market, and declining and unstable markets elsewhere may cause volatility or diminished expectations for the economy and securities markets generally. These factors and many other factors such as declining oil prices, confidence in the ability to sustain an economic recovery, and extant and expected interest rate increases may result in an unstable economy. In addition, certain markets may become volatile in ways which can negatively impact market liquidity conditions. Market instability may have an adverse effect on the Fund. In the event of extreme prolonged market events, such as a global credit crisis, the Fund could incur significant losses. Even in the absence of a market downturn, the Fund is exposed to substantial risk of loss due to market volatility.

**Changes in economic conditions and market risk may materially and adversely impact Investments.** Changes in economic conditions, including, for example, inflation rates, industry conditions, competition, technological developments, domestic and global political and diplomatic events and turmoil, trends, tax laws, and innumerable other factors can affect substantially and adversely the business and prospects of the Fund. A major recession or adverse developments in the securities and debt markets might have an impact on some or all of the Fund's Investments.

**Outbreak of Flu, Coronavirus, Filovirus, or similar virus outbreak or pandemic.** The potential emergence of an outbreak or pandemic of Flu, Coronavirus, Filovirus, or other large-scale public health event is difficult to predict and could materially affect the value of the Interests. The characteristics of any disease outbreak, including its rate of spread and virulence, may depend on a number of complex and sometimes interrelated factors, including but not limited to factors relating to environment, demographics, advances in medical science, travel, the speed and effectiveness (or ineffectiveness) of response efforts (including those of international agencies) and specific features of particular countries (such as the number of hospital beds per capita, GDP per capita, and related resources to effectively contain an outbreak, physicians per capita, applicability of war or other hostilities that adversely affect environmental conditions or availability of health care, country-specific cultural practices, etc.), and are therefore subject to uncertainty. No assurance can be given regarding the effectiveness, if any, of any

response efforts to a disease outbreak. Such response efforts may be ineffective in preventing or slowing the growth of such disease outbreak and may potentially worsen such disease outbreak.

**Volatility of financial markets may negatively impact profitability.** Financial markets may be subject to a high level of volatility. There can be no assurance that the return earned on the Fund's Investments, if any, will be commensurate with the risk of an investment in the Fund. Continued volatility could disrupt the Fund's investment strategies, decrease the value of the Fund's Investments, and adversely impact the Fund's profitability. The risk management techniques that may be utilized by the Fund do not provide any assurance that investors will not experience significant investment losses. Investors should not invest in the Fund unless they have the resources to sustain the loss of their entire investment in the Fund.

**Risks of price movements inhibit the ability to predict profitability.** The profitability of the Fund's investment program depends to a great extent upon our ability to correctly assess the future course of movements in interest rates, prepayment rates, yield curves, credit spreads, credit quality, and other investments. There can be no assurance that we will be able to predict accurately these price movements.

**The market for the Fund's Investments is highly competitive.** There will be competition for investment opportunities by investment vehicles and others with investment objectives and strategies similar (in whole or in part) to, or overlapping with, those of the Fund. There can be no assurance that we will be able to locate and complete investments for the Fund which would satisfy its investment objectives or we will be able to invest fully the Fund's available capital.

**There can be no assurance of profit or distributions.** There is no assurance that the Fund's investing and lending activities will be profitable or that any distribution will be made to the Limited Partners. Proceeds received from the Fund's investment and lending activities, including principal and interest and proceeds of sale, may be used to pay Matterhorn's management fee or other Fund Expenses or may be reinvested to the extent allowed under the terms of the Fund's Partnership Agreement or may be held by the Fund pending anticipated investment or lending commitments. Any return on investment to the Limited Partners will depend upon the success of the Fund's investment and lending activities and the ability of borrowers to repay their loans to the Fund. The marketability and value of the Fund's Investments and creditworthiness and financial stability of the borrowers will depend upon many factors beyond Matterhorn's control.

#### RISKS RELATED TO THE FUND'S FINANCING ARRANGEMENTS AND DEBT SECURITY INVESTMENTS

The Fund expects to provide financing to a concentrated number of borrowers and may hold debt securities. There are certain risks inherent in lending activities and holding debt securities, which risks include, without limitation, the following.

**The competitive landscape of the lending industry can adversely affect the Fund.** The Fund may face competition from other lenders such as other pooled investment vehicles and commercial banks that are larger and have greater financial and other resources than the Fund. These competitors may have higher risk profiles than the Fund, which would allow them to establish more relationships with prospective borrowers than the Fund or offer better financing terms than the Fund. Such competitive pressures could diminish the Fund's ability to deploy capital. If the Fund is limited in its ability to

originate loans, it may be forced to invest in other assets that could result in lower returns than may be available through providing financing arrangements to borrowers. General economic factors and market conditions, including the general interest rate environment, may affect borrower willingness to seek a loan from the Fund.

There can be no assurance that the Fund will identify borrowers that meet its lending criteria, that the Fund will be successful in making loans to borrowers that are identified, or that any such loans will produce a favorable return on the Fund's capital.

**Loans and debt securities are generally subject to various risks which may adversely affect the Fund's performance.** The Fund's investment in debt securities and the lending activities subject the Fund to various risks including the following:

*Issuer Risk.* The value of debt and debt securities held by the Fund may decline for a number of reasons which directly relate to the issuer, such as management performance, leverage, and reduced demand for the issuer's goods and services. Changes in the credit rating of the borrowers or issuer of debt securities or the market's perception of their creditworthiness may also affect the value of the Fund's Investment in that borrower/issuer.

*Interest Rate Risk.* Interest rate risk is the risk that debt and debt securities will decline in value because of changes in market interest rates. When market interest rates rise, the market value of fixed rate securities generally will fall. Market value generally falls further for fixed rate securities with longer duration. During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected prepayments. This may lock in a below-market yield, increase the security's duration, and further reduce the value of the security.

*Liquidity Risk.* Certain debt securities may be substantially less liquid than many other securities, such as common stocks traded on an exchange. Illiquid securities involve the risk that the securities will not be able to be sold at the time desired by the Fund or at prices approximating the value at which the Fund is carrying the securities on its books.

*Prepayment Risk.* During periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing the Fund to reinvest the proceeds from such prepayment in lower yielding securities, which may result in a decline in the Fund's income and distributions to investors. This is known as call or prepayment risk. Debt securities frequently have call features that allow the issuer to redeem the security prior to its stated maturity. An issuer may redeem an obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer. If the Fund bought a security at a premium, the premium could be lost in the event of a prepayment.

**Borrower information may be inaccurate and lead to credit risk.** The Fund is reliant in part on the credit information provided to it by borrowers. To the extent a credit rating is assigned to a borrower, such rating may not accurately reflect the borrower's actual creditworthiness. We may not be able to verify all of the information we obtain on a borrower. In addition, certain information that we may otherwise seek may not be available, such as financial statements and other financial information. There is risk that a borrower may have supplied false or inaccurate information. If a borrower supplies false,

misleading, or inaccurate information, repayments on their loan may be lower, in some cases significantly lower, than expected.

**The Fund's performance is subject to lack of diversity risk.** The Fund's loan originating activities will be limited to a small number of borrowers. Thus, there may not be diversity in the number of potential borrowers to hedge against the failure of one or more other borrowers to repay, in full, their debt owed to the Fund. The Fund may be more susceptible to adverse events affecting a particular borrower, particularly if such borrower has more debt owed to the Fund than other of the borrowers and was unable to maintain its debts on a current basis.

**Guarantees or collateral of loans may be inadequate.** To the extent that the obligations under any loan provided by the Fund is guaranteed by a third-party, there can be no assurance that the guarantor will perform its payment obligations should the borrower to the loan default on its payments. Similarly, to the extent a loan is secured, there can be no assurance as to the amount of any funds that may be realized from recovering and liquidating any collateral or the timing of such recovery and liquidation and hence there is no assurance that sufficient funds (or, possibly, any funds) will be available to offset any payment defaults that occur under the loan. In addition, if it becomes necessary to recover and liquidate any collateral with respect to a secured marketplace loan, it may be difficult to sell such collateral and there will likely be associated costs that would reduce the amount of funds otherwise available to offset the payments due under the loan.

**The Fund's loans are subject to prepayment risk.** We may provide loans to borrowers which permit the prepayment of such loans at any time without penalty. If a borrower decides to prepay all or a portion of the remaining principal amount due under the loan provided by the Fund at any time without penalty. In the event of a prepayment of the entire remaining unpaid principal amount of such loan, the Fund may receive such prepayment amount, but further interest will not accrue on the loan after the principal has been paid in full. If the borrower prepays a portion of the remaining unpaid principal balance, interest will cease to accrue on such prepaid portion, and the Fund may not receive all of the interest payments that the Fund may have originally expected to receive on the loan.

**Use of leverage by borrowers.** The Fund will make investments in borrowers in a manner that creates additional leverage, which may impair these companies' ability to finance their future operations and capital needs. Investments in leveraged companies involve a higher degree of risk as a result of recessions, operating problems, and other general business and economic risks that may have a more pronounced effect on the profitability or survival of such companies. Such investments are inherently more sensitive to declines in revenues, competitive pressures, and increases in expenses. Moreover, rising interest rates may increase a borrower's interest expense, causing losses or the inability to service debt levels. Leverage magnifies gains and losses attributable to other investment policies and practices, such as investing in below investment grade instruments. If a borrower cannot generate adequate cash flow to meet debt obligations, the borrower may default on its loan agreements or be forced into insolvency, resulting in a restructuring of the company's capital structure or liquidation of the company, and the Fund may suffer a partial or total loss of capital invested in the borrower. Furthermore, to the extent companies in which the Fund has invested become insolvent, the Fund may determine, in cooperation with other debt holders or on its own, to engage, at the Fund's expense in whole or in part, counsel and other advisors in connection therewith.

**Use of leverage by the Fund.** The General Partner may cause the Fund, directly or indirectly through one or more special purpose vehicles, to incur indebtedness, including to borrow money from any person, to make guarantees, or provide other credit support to any person or to incur any other obligation (including other extensions of credit), in each case for any proper purpose relating to the activities of the Fund including to finance any investment-related activities of the Fund and to provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable), to cover Fund expenses, organizational and offering costs, and management fees, to make, hold, or dispose of investments, to provide financing or refinancing, to provide funds for the payment of amounts to withdrawing Limited Partners, to provide funds for distributions to the Limited Partners, to enter into repurchase agreements or reverse repurchase agreements, and to provide collateral to secure outstanding letters of credit or to create reserves in accordance with the Limited Partnership Agreement. The Fund or the General Partner may enter into one or more credit facilities or guarantees, and in connection therewith, pledge the assets of the Fund and make a collateral assignment to any lender, or other credit party of the Fund, of the General Partner's and the Fund's rights to issue drawdown notices and other related rights, titles, interests, remedies, powers, and privileges of the Fund or the General Partner with respect to the capital commitments, and rights to the capital contributions of the Limited Partners.

#### RISKS ASSOCIATED WITH BELOW INVESTMENT GRADE SECURITIES

**Below investment grade securities are high risk.** The Fund's portfolio may consist of below investment grade securities. These assets will be regarded as predominately speculative with respect to the issuer's capacity to pay interest and repay principal. Lower grade securities may be particularly susceptible to economic downturns. It is likely that an economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities. For these reasons, an investment in the Fund, compared with a portfolio consisting solely of investment grade securities, may experience the following: increased price sensitivity resulting from a deteriorating economic environment and changing interest rates; greater risk of loss due to default or declining credit quality; adverse issuer specific events that are more likely to render the issuer unable to make interest or principal payments; and the possibility that a negative perception of the below investment grade market is prolonged or worsened, resulting in the price and liquidity of below investment grade securities becoming depressed, and this negative perception could last for a significant period of time. Lower grade securities, though high yielding, are characterized by high risk. They may be subject to certain risks with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated securities. The retail secondary market for lower grade securities may be less liquid than that for higher rated securities. Adverse conditions could make it difficult at times to sell certain securities or could result in lower prices than those used in calculating the Fund's valuation including third-party valuations of the securities held by the Fund. Because of the substantial risks associated with investments in lower grade securities, investors could lose money on their investment in Interests of the Fund, both in the short-term and the long-term.

#### MANAGEMENT RISK

**Cybersecurity risk.** In the digital world that the Fund and Matterhorn, and other service providers and the vendors of each (collectively, the "Service Providers") exist in, they are exposed to the risk that their operations and data may be compromised as a result of internal and external cyber-failures, breaches,

or attacks (“Cyber Risk”). This could occur as a result of malicious or criminal cyber-attacks, or from human error, faulty or inadequately implemented policies, and procedures or other systems failures unrelated to any external cyber-threat may have effects similar to those caused by deliberate cyber-attacks. Successful cyber-attacks or other cyber-failures or events affecting the Fund or its Service Providers may adversely impact the Fund or its investors or cause an investment in the Fund to lose value. For instance, such attacks, failures, or other events may interfere with the processing of investor transactions, impact the Fund’s ability to calculate its NAV, cause the release of private information or confidential Fund information, impede trading, or cause reputational damage. Such attacks, failures, or other events could also subject the Fund or its Service Providers to regulatory fines, penalties, or financial losses, reimbursement, or other compensation costs, or additional compliance costs. The Fund or its Service Providers may also incur significant costs to manage and control Cyber Risk. Cyber Risk is also present for issuers of securities or other instruments in which the Fund invests and for companies which the Fund may provide financing, which could result in material adverse consequences for such issuers and borrowers, and may cause a Fund’s Investment in such issuers to lose value or adversely affect a Borrower’s ability to repay its debt to the Fund.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of all the risks involved in an investment managed by Matterhorn. Prospective Limited Partners should read the entire Brochure as well as the Fund’s Offering Documents, other materials that may be provided by Matterhorn and consult with their own advisers prior to engaging Matterhorn’s services.**

## Item 9: Disciplinary Information

Matterhorn and its management persons have not been a party to any legal or disciplinary events that would be material to a client’s or prospective client’s evaluation of its investment advisory business or the integrity of its management.

## Item 10: Other Financial Industry Activities and Affiliations

Neither Matterhorn nor any of its management persons is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of any of the foregoing. Matterhorn does not recommend or select other investment advisors for its client.

The General Partner of a Client, Matterhorn Capital Partners, LP, is an affiliate of Matterhorn and serves as general partner to the Client. For a description of material conflicts of interest created by the relationship among Matterhorn and the General Partner, as well as a description of how such conflicts are addressed, please see Item 11 below.

### SIDE LETTERS

The General Partner may enter into one or more side letters (“Side Letters”) with Limited Partners of the Fund which clarify or waive or modify, in whole or in part, any of the terms of the Fund’s Limited Partnership Agreement or the Subscription Agreement between the General Partner and any such Limited Partner including, without limitation, agreeing to waive minimum capital commitment amounts and interest charges, agreeing to provide or make accessible additional information about the Fund (including portfolio information), agreeing to different admission dates, withdrawal effective dates, withdrawal requirements, notice periods, and other restrictions. In addition, the General Partner may, in

its sole discretion, waive, rebate, reduce, or calculate differently with respect to any Limited Partner of the Fund the management fee and the incentive allocation. The rights established, or any terms of the Fund's Limited Partnership Agreement or any Subscription Agreement altered or supplemented in a Side Letter with a Limited Partner shall govern solely with respect to such Limited Partner. The General Partner shall, in its sole and absolute discretion, be permitted to provide copies of any such Side Letters with individual Limited Partners to other Limited Partners.

## Item 11: Code of Ethics, Participation or Interest In Client Transactions and Personal Trading

Matterhorn has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (the "Advisers Act"). The Code governs the activities of each member, officer, director and employee of Matterhorn (collectively, "Access Persons"). Matterhorn holds its Access Persons to a high standard of integrity and business practices that reflects its fiduciary duty to its Client. In serving its Client, Matterhorn strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Access Persons and Client securities transactions.

When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code's specific provisions: (a) at all times the interests of the Client must be placed ahead of personal interests; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Access Persons covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions.

Each Access Person is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Access Person who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

Matterhorn will provide a copy of its Code of Ethics to its Client, investors, and prospective investors upon request. Such a request may be made by submitting a written request to Matterhorn at the email address on the cover page of this Brochure.

## Item 12: Brokerage Practices

This item is generally not applicable to Matterhorn because the Fund does not generally conduct transactions in publicly traded securities requiring the use of brokers. If Matterhorn trades in public securities, Matterhorn has a duty to obtain "best execution" for its advisory clients' securities transactions. To fulfill this obligation, Matterhorn generally must execute securities transactions in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances. The SEC has stated that in deciding what constitutes best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. In seeking best execution, Matterhorn should consider the full range of the broker's services, including the value of research provided and execution capability, commission rate,

financial responsibility and responsiveness. The SEC has, however, indicated that an investment manager need not solicit competitive bids on each transaction.

Matterhorn does not engage in the practice of obtaining research and/or other services from third-party service providers in exchange for client-based brokerage credits (known as “soft dollars”). Furthermore, Matterhorn does not direct brokerage or consider, in selecting or recommending brokers, whether we or any of our “related persons” (as defined for purposes of Form ADV) receives client referrals from a broker or third party.

*Cross Transactions:* Currently, Matterhorn only advises one client; however, Matterhorn may in the future, under specific circumstances, execute cross trades between Matterhorn funds. A cross trade is where one Matterhorn Fund managed by Matterhorn buys a security and another Matterhorn Fund managed by Matterhorn sells the same security to the buying Matterhorn Fund (i.e., where such securities “cross” from one Matterhorn Fund to another). In the event Matterhorn performs cross trades between Matterhorn Funds, it will do so only if the conditions are in the best interest of, and approved by the investors in, the affected Matterhorn Funds.

*Principal Transactions.* Matterhorn or any of its affiliates may not, directly or indirectly, while acting as principal for its own account, sell any security to, or purchase any security from, an advisory client (“principal transaction”) unless client consent is obtained beforehand for each principal transaction.

*Agency Cross Transactions.* An agency cross transaction is a transaction in which an investment adviser acts as the broker for both the seller and purchaser of a security (and either the seller or the purchaser is a client). As neither Matterhorn acts in the capacity as a broker dealer nor is an affiliate of a broker, it is not anticipated that any such transactions will be entered into.

## Item 13: Review of Accounts

Matterhorn views portfolio management as an important component of its investment process and anticipates that it will monitor the operations and performance of the Fund as frequently as it believes appropriate in light of its investment strategy and the prevailing market conditions.

The Fund’s Limited Partners will be provided with: (i) annual audited financial statements of the Fund; and (ii) monthly reports of the Net Asset Value of the Fund and each Limited Partner’s capital account balance.

*Annual Reports.* Within one hundred twenty (120) days following the end of each fiscal year or as soon as practicable thereafter, the Limited Partners will receive annual reports containing audited financial statements of the Fund. Limited Partners will receive applicable U.S. tax reporting information and Schedules K-1 as soon as practicable after the end of the fiscal year. The Fund’s financial statements will be prepared in accordance with GAAP.

*Monthly Reports.* Within thirty (30) days following the end of each month, the Fund will deliver to each Limited Partner a statement of the Limited Partner’s Capital Account balance.

In reviewing status of the Fund, Limited Partners should be aware that the General Partner and the Fund may be subject to confidentiality agreements that limit the amount of information that the General Partner may disclose about its investments.



## Item 14: Client Referrals and Other Compensation

### **Economic Benefits Provided by Third Parties**

Matterhorn does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to its Client.

### **Compensation to Non-Advisory Personnel for Client Referrals**

Matterhorn engages RSP Investments, LLC and Falls Bridge Securities, LLC, both of which are registered broker-dealers, to act as a placement agent to introduce prospective investors to the Fund for which they are paid a portion of the management fee as outlined in the agreement. The prospect of receiving, or the receipt of, placement fees by any such placement agent may provide such placement agent and/or its salespersons with an incentive to favor sales of interests in the Fund, and funds whose affiliates make similar compensation available, over sales of interests of funds (or other fund investments) with respect to which such placement agent receives either no such additional compensation or lower levels of additional compensation. Such payment arrangements, however, will not change the commitments made to the Fund by a Limited Partner and any placement fees paid will be borne solely Matterhorn and/or their affiliates. Limited Partners may wish to take such payment arrangements into account when considering and evaluating any recommendations by such placement agent relating to interests in the Fund.

## Item 15: Custody

Matterhorn and the General Partner of the Fund are deemed to have custody of the Fund securities and funds due to access and authority over the Fund assets.

Generally, assets, where possible, are to be held in accounts with a qualified custodian within the meaning of the Advisers Act. Privately offered securities are exempt from this requirement if certain criteria are met. Where ownership of the investment is recorded only on the books of the issuer or its transfer agent, in the name of the Fund, and where the ownership is subject to prior consent of the issuer or holder of outstanding shares, a qualified custodian is not required. Additionally, the privately offered securities exemption is available only if the pooled investment vehicle is audited and the audited financials are distributed within 120 days of fiscal year end.

Annual financial statements of the Fund are prepared in accordance with GAAP, audited by an independent accounting firm registered with the Public Company Accounting Oversight Board and distributed to all investors within 120 days of each Funds' fiscal year end.

## Item 16: Investment Discretion

Matterhorn manages the Fund on a discretionary basis in accordance with the Fund's organization and offering documents. Matterhorn does not provide investment advisory services directly to the investors of the Fund.

## Item 17: Voting Client Securities

This item is not generally applicable as the Fund does not invest in publicly traded equity securities with voting rights. Because Matterhorn does not transact in publicly traded securities, it does not obtain

proxy voting authority in a traditional sense. However, to the extent that the actions by Matterhorn and/or its representatives on behalf of an investment held within the Fund is deemed to be an exercise of “voting authority with respect to client securities” within the meaning of Rule 206(4)-6 under the Adviser Act, Matterhorn shall act in a manner consistent with the Fund’s best interests when executing such authority. It is anticipated that the alignment of interests between the Fund and the interests in the investments held on its behalf will not raise conflicts of interest issues. If a potential conflict of interest does arise, the Chief Compliance Officer will review the relevant vote to ensure adherence to Matterhorn’s policies.

### Item 18: Financial Information

Matterhorn is not required to disclose any financial information pursuant to this item as Matterhorn does not require or solicit the prepayment of fees six months or more in advance. Furthermore, Matterhorn has never been the subject of a bankruptcy petition and does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.