

PART 2A OF FORM ADV: FIRM BROCHURE



CREDIT VALUE PARTNERS, LLC

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This brochure provides information about the qualifications and business practices of Credit Value Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (203) 893-4700 or info@cvp7.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Credit Value Partners, LLC also is available on the Securities and Exchange Commission's website at www.adviserinfo.sec.gov.

Credit Value Partners, LLC is an investment adviser registered with the Securities and Exchange Commission. Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 Material Changes

Credit Value Partners is amending this Part 2A to reflect material changes since its last filing in March 2016. Specifically, Credit Value Partners is amending information pertaining to its advisory business (ownership information and assets under management), enhancing disclosure of fees and expenses paid by CLO investors, disclosing disciplinary information concerning a new owner, disclosing additional industry affiliates as a result of its new ownership and streamlining the discussion of cyber security risks.

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Item 4 Advisory Business

Credit Value Partners LLC (“CVP”) is a Delaware limited liability company that was converted from a Delaware limited partnership (Credit Value Partners LP, (“CVP LP”)) on January 31, 2017. CVP LP, which was formed in June 2010, registered as an investment adviser with the SEC in August 2010. CVP operates its advisory business directly and through the following affiliated entities: CVP Distressed Duration General LLC, CVF III General LLC, CVF IV General LLC, CHIPC General LLC, CVP CLO Manager, LLC (“CVP CLO Manager,” and together with CVP, “Credit Value Partners”).

CVP is wholly owned by CVP Holdings LLC (“CVP Holdings”) which is 60% owned by NYLIM Alternatives LLC (“NYLIM Alternatives”) and in varying percentages, by Pollard Family Investments LLC and former partners of CVP LP. NYLIM Alternatives, which acquired its interests in CVP Holdings on February 1, 2017, is wholly owned by New York Life Investment Management Holdings, LLC (“NYLIM”), a wholly owned subsidiary of New York Life Insurance Company (“NYLIC”).

CVP provides discretionary investment management services to private funds (the “CVP Funds”), including four master-feeder structures (the “CVP Opportunistic Funds”), as well as two separately managed accounts (collectively with the CVP Funds, the “CVP Accounts”). CVP CLO Manager provides discretionary investment management services to three collateralized loan obligation vehicles (together, the “CLOs”; collectively with the CVP Funds, the “Funds”; and collectively with the CVP Accounts, the “Accounts”).

Credit Value Partners’ advice with respect to the Accounts is given in accordance with the investment objectives and guidelines set forth in the applicable Account’s offering documentation or advisory agreement, as applicable. Except as otherwise set forth in an Account’s offering documentation or advisory agreement, Credit Value Partners does not tailor its advisory services to the individual needs of the Funds’ investors who are prohibited from imposing restrictions on investing in certain securities or types of securities. Please see “**Item 16 - Investment Discretion**” below for a discussion of Credit Value Partners’ investment authority.

As of December 31, 2016 Credit Value Partners had regulatory assets under management of approximately \$1.9 billion which it manages on a discretionary basis in addition to approximately \$1.6 million which is managed on a non-discretionary basis.

Item 5 Fees and Compensation

Fees Generally

Management fees charged by Credit Value Partners generally accrue monthly or quarterly and may be paid in advance or arrears and will be pro-rated for partial months and quarters. Management fees payable to CVP by the CVP Opportunistic Funds are paid quarterly in advance and deducted from capital contributions made by their investors or out of investment proceeds. Management fees payable to CVP CLO Manager in respect of the CLOs are payable as set forth in the relevant indenture. While Credit Value Partners does not currently receive a performance fee in connection with the services it provides to the CVP Opportunistic Funds, its related persons acting as general partner of those funds receive a performance allocation based on a percentage of the capital gains or capital appreciation of assets under management. At times, a particular CVP fund may invest in another CVP managed vehicle. In that situation, CVP will only charge fees at one level.

Credit Value Partners and/or certain of its affiliates also earn transaction fees as permitted under relevant limited partnership or other agreements (“Governing Documents”), a percentage of which (net of related expenses) will be applied to reduce the Management Fees otherwise payable to Credit Value Partners. Additionally, in accordance with relevant Governing Documents, Credit Value Partners and its affiliates earn substantial additional fees in connection with the CVP Funds’ investments structured by Credit Value Partner or its affiliates, including origination fees, structuring fees and collateral management fees (collectively, “Other Fees”). These Other Fees do not reduce or offset the management fees payable to Credit Value Partners or any allocated performance fees. See **Item 10 - Other Financial Industry Activities and Affiliations** for further discussion of the conflicts associated with these fees.

Expenses

Each Fund bears its own operating and other expenses. Additionally, depending upon the structure of a particular Fund, that investment fund may bear its pro rata share of fund expenses incurred by a “master fund.” Expenses borne by each of the Funds include, but are not limited to investment-related expenses (*e.g.*, brokerage commissions, clearing and settlement charges, custodial fees, interest expenses, expenses relating to consultants, attorneys, brokers or other professionals or advisers who provide research, advice, or due diligence services with regard to investments, research-related expenses, appraisal fees and expenses, and investment banking expenses); legal expenses; accounting, including costs of in-house accountants and other personnel providing such services to the extent such expenses are generally consistent with those customarily charged by third-party professionals; audit; tax preparation and other tax-related expenses; organizational and offering expenses; administration fees and related costs paid to and borne by an administrator; extraordinary expenses and other similar expenses; and such other expenses as are described in their respective offering documents. The Funds will bear certain brokerage and other transaction costs in connection with Credit Value Partners providing investment management services - please see “**Item 12 - Brokerage Practices**” for a further description of Credit Value Partners’ brokerage practices.

Fees and Expenses Paid by Separately Managed Accounts

All fees for separately managed accounts are subject to negotiation and established pursuant to each separately managed account's advisory agreement. Such fees are generally invoiced and paid quarterly in arrears by the client and are not deducted from the client's account unless previously agreed with the client; brokerage commissions, stock transfer fees, and similar charges incurred in connection with transactions for the separately managed accounts are paid out of the assets of the separately arranged accounts. Please see "**Item 12 - Brokerage Practices**" for a further description of Credit Value Partners' brokerage practices.

Fees and Expenses Paid by CLO Investors

In addition to management fees, CLO investors also bear any fees and expenses in connection with the acquisition, management, origination, holding, monitoring, marking to market, enforcement, amendment, default, restructuring, bankruptcy or disposition of the CLO's assets. As further defined in the respective CLO investment management agreements, such fees and expenses include but are not limited to, investment related travel, communications and related expenses, loan processing fees, legal fees and expenses, appraisal costs and expenses and other expenses of professionals retained by CVP on the CLO's behalf, due diligence costs, fees or other costs in connection with the termination, cancellation or abandonment of a potential acquisition or disposition of any asset that is not consummated and all other reasonable costs and expenses, including any extraordinary expenses of any nature and other unusual matters), taxes and governmental charges that may be incurred or payable by the CLO, insurance premiums or expenses incurred in connection with the CLO's activities, any and all costs, fees and expenses incurred in connection with the rating of the CLO Notes, costs and fees of one or more firms that provide software databases and applications for the purpose of modeling, evaluating and monitoring the CLO assets and Notes pursuant to a licensing or other agreement, any and all expenses incurred to comply with any law or regulation related to the activities of the CLO, fees and expenses of any independent advisor employed to value or consider Collateral Obligations, and any cost and expenses incurred in connection with the pre-closing warehouse agreement and matters related thereto.

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

Credit Value Partners or its related persons may charge certain Accounts a negotiated performance fee/allocation based on a share of capital gains or capital appreciation of assets under management, or based on some other measure as agreed between Credit Value Partners and the relevant Account. In some instances, such calculation may include a base or “hurdle rate” that must be exceeded before the compensation is payable.

Performance compensation arrangements create an incentive for Credit Value Partners to select investments that are riskier or more speculative than would be the case in the absence of such performance compensation. Additionally, Credit Value Partners has an incentive to favor client accounts that charge higher performance based compensation over client accounts that charge lower performance fees or only an asset-based fee, such as a management fee. These incentives create a conflict of interest for Credit Value Partners when it simultaneously manages these types of client accounts.

Despite the foregoing conflicts, Credit Value Partners has a fiduciary obligation to allocate investment opportunities among its clients in a manner that results in the fair and equitable treatment of client accounts. Moreover, Credit Value Partners has policies in place to help ensure that clients’ interests are placed first. Particularly, supervisors within Credit Value Partners are responsible for overseeing investment opportunities and will generally review transactions for consistency with investment objectives, suitability and for ensuring that, over time, investment opportunities are fairly allocated among eligible client accounts.

Item 7 Types of Clients

Credit Value Partners provides or may provide advice to individuals, banks and thrift institutions, investment companies, pensions and profit sharing plans, trusts, estates or charitable arrangements, corporations and other entities, registered and/or unregistered investment funds, institutions or other investment advisers, which may be affiliates of Credit Value Partners. In this role, Credit Value Partners may either act as an adviser or a sub-adviser. Credit Value Partners may also engage sub-advisers, which may be affiliates of Credit Value Partners to perform advisory services.

As a requirement for opening or maintaining a separately managed account, Credit Value Partners may impose a minimum dollar value of assets. Credit Value Partners may consider the characteristics of certain asset classes when determining whether a separately managed account will be subject to a requirement to maintain a minimum dollar value of assets. Credit Value Partners may make exceptions to minimum dollar value limits in its sole discretion.

While Credit Value Partners does not place a limit on the minimum or maximum offering amount for any of the Funds, individual investors who want to participate in the Funds may be required to invest a minimum amount which varies depending on the Fund. These requirements are disclosed in each Fund's offering documentation.

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

Methods of Analysis and Investment Strategies

CVP Opportunistic Funds and Separately Managed Accounts

The principal investment objective of the CVP Opportunistic Funds and the separately managed accounts is to achieve attractive returns through opportunistic investments primarily in stressed and distressed senior-most and senior-secured debt obligations of medium and large corporate issuers. The CVP Opportunistic Funds and the separately managed accounts will seek to achieve their investment objectives generally by investing in portfolios of private and public debt instruments. Other investments may include derivatives, equities and all types of debt obligations that may have varying terms with respect to collateralization, seniority or subordination within capital structures, purchase price, interest payments and maturity. The CVP Opportunistic Funds and the separately managed account will seek a combination of capital appreciation and current income by utilizing multiple strategies, including, but not limited to, investments in distressed, stressed and performing debt, value equity, relative value and capital structure arbitrage.

The CVP Opportunistic Funds and the separately managed accounts may use leverage in their investments and have the authority to borrow funds, enter into credit facility arrangements and use other means of financing when deemed appropriate by CVP or its related persons, subject to guidelines set forth in their offering documents or investment management agreements (as applicable.)

Further, the CVP Opportunistic Funds and the separately managed accounts may implement and employ any strategies or techniques and utilize any financial instruments which CVP believes will assist the CVP Opportunistic Funds and the separately managed accounts in achieving their investment objectives. CVP will endeavor to allocate the CVP Opportunistic Funds' and separately managed accounts' resources among various strategies and instruments in response to changing investment opportunities.

The CVP Opportunistic Funds and the separately managed accounts may also make or acquire below investment grade, first lien, senior secured loans of U.S. middle-market companies, as well as some larger capitalization companies.

CLOs

The principal investment objectives of the CLOs are to provide contractually-agreed interest payments to their debt holders and provide attractive returns to their equity holders through the operation of structured investment vehicles.

The CLOs will seek to achieve their investment objectives generally by investing primarily in secured, first lien loans to non-investment grade companies. Other investments may include, among other things, unsecured first lien loans, second lien loans and debtor-in-possession loans.

CVP will endeavor to allocate the CLOs' resources among various strategies and instruments in response to changing investment opportunities.

Risk of Loss

CVP Opportunistic Funds and Separately Managed Accounts

There are also a number of risks associated with the CVP Accounts' trading objectives and strategies. Each fund's offering memorandum contains detailed descriptions of such risks, which includes the following:

Illiquidity of Interests. The Funds represent highly illiquid investments and should be acquired only by investors able to commit their funds for an indefinite period of time. There is no public market for these interests and it is highly unlikely that one will develop. The interests of the Funds are not registered under U.S. federal or state securities laws or the securities laws of any other jurisdiction and may not be resold unless they are subsequently registered or enjoy an exemption from such registration is available. Transfers of interests are also subject to the approval of the respective Fund's general partner (which may be given or denied in the sole discretion of the general partner) and satisfaction of certain other conditions set forth in the limited partnership agreement of the Fund.

Illiquidity of Investments. The CVP Accounts generally invest a significant amount of capital in loans or other assets for which a limited market exists or that are subject to legal or other restrictions on transfer. The market prices, if any, for such assets may be volatile, and may fluctuate due to a variety of factors that are inherently difficult to predict, including, but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry, and the financing condition of the obligors on each CVP Account's assets. Accordingly, each CVP Account may not be able to sell assets when it desires to do so or to realize what the advisor perceives to be the fair value of its assets in the event of a sale. The sale of illiquid assets and restricted securities often requires more time and the incurrence of significant selling expense by the CVP Account. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. In addition, in times of extreme market disruption, there may be no market at all for one or more of the asset classes held by the CVP Account, potentially resulting in the inability of the CVP Account to dispose of its assets for an indefinite period of time.

Uncertain Exit Strategies. Due to the illiquid nature of some of the positions which each fund or account is expected to acquire, CVP is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

Investments Longer Than Term; In-Kind Distributions. An investment in each CVP Account requires a long-term commitment, with no certainty of return. Other than

distributions of current income and available investment proceeds made by such Account, there may be little or no near-term cash flow available to account holders.

Although the Advisor expects that each CVP Account's portfolio investments will either be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the CVP Accounts may have to sell, distribute or otherwise dispose of portfolio investments on disadvantageous terms and at a disadvantageous time as a result of dissolution.

Non-Performing Nature of Debt. It is anticipated that a substantial portion of debt instruments purchased by the CVP Accounts will be non-performing and possibly in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to the loans.

Competition and Supply for Loan Investments. The CVP Accounts' success in the area of loan investing will depend, in part, on its ability to obtain loans on advantageous terms. In purchasing loans, the CVP Accounts will compete with a broad spectrum of investors and institutions. Increased competition for, or a diminution in the available supply of, qualifying loans could result in lower yields on such loans, which could reduce returns to investors.

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

CLOs

The CLOs are managed by a CVP affiliate, CVP CLO Manager LLC. There are a number of risks associated with the CLOs' trading objectives and strategies, including, but not limited to, risks associated with general economic conditions, illiquidity in the leveraged finance market, subordination of investments and leveraged credit risk. Please refer to each CLO's offering memorandum for a more detailed description of such risks.

General Economic Conditions. Significant risks may exist for the CLO issuer (the "Issuer") and investors in notes (the "Notes") as a result of the uncertain general economic conditions. These risks include, among others, (i) the possibility that, on or after the closing date, the prices at which collateral can be sold by the Issuer will have deteriorated from their effective purchase price, (ii) the illiquidity of the Notes, as there may be no secondary trading in the Notes and (iii) possibility of decline in the market value of the Notes. These risks may affect the returns on the Notes to investors and the ability of investors to realize their investment in the Notes prior to their stated maturity, if at all.

Illiquidity in the Leveraged Finance Market. The financial markets have experienced substantial fluctuations in prices for leveraged loans and high-yield debt securities and limited liquidity for such instruments. During periods of limited liquidity and higher price volatility, the Issuer's ability to acquire or dispose of collateral obligations at a price and time that CVP CLO Manager LLC deems advantageous may be severely impaired, which may impair its ability to dispose of investments in a timely fashion and for a fair price, as well as its ability to take advantage of market opportunities. Furthermore, some collateral obligations will have a limited trading market (or none) under any market conditions. Illiquid debt obligations may trade at a discount from comparable, more liquid investments. The impact of the liquidity crisis on the global credit markets may adversely affect CVP CLO Manager LLC's management flexibility in relation to the collateral and, ultimately, the returns on the Notes to investors.

Nature of the Obligations. The Notes are generally be limited recourse debt obligations, payable solely from the collateral pursuant to the relevant indenture. The Notes do not represent interests in or obligations of, and are not guaranteed, insured or secured by any rating agency, the underwriter, CVP CLO Manager LLC, any other transaction party (other than the Issuer). If distributions on the collateral are insufficient to make payments on the Notes, no other assets will be available for payment of the deficiency and, following liquidation of the Collateral, the obligations of the Issuer to pay any such deficiency will be extinguished.

Liquidity Considerations. There is currently no secondary market for the Notes, and none may develop. The Notes are not expected to be readily marketable. In addition, the Notes are subject to certain transfer restrictions (including minimum denominations) that may further limit their liquidity. Furthermore, various regulatory requirements may restrict a potential investor's ability to purchase Notes or make such an investment unattractive to them. The Notes are designed for long-term investors and should not be considered a vehicle for short-term trading purposes. As a result, investors must be prepared to bear the risk of holding the Notes until their stated maturity. To the extent that any secondary market exists for the Notes in the future, the price (if any) at which Notes may be sold could be at a discount, which in some cases may be substantial. To the extent any market exists for the Notes in the future, significant delays could occur in the actual sale of Notes.

Below Investment Grade Debt Obligations. Primarily all of the collateral obligations are expected to be rated below investment grade. Such debt obligations have greater credit and liquidity risk than investment grade obligations. The lower rating of such obligations reflects a greater possibility that adverse changes in the financial condition of an obligor or in general economic conditions, or both, may impair the ability of the Issuer to make payments on the Notes. In addition, obligors of below investment grade debt obligations may be highly leveraged and may not have available to them more traditional methods of financing. During an economic downturn, a sustained period of rising interest rates, or a period of fluctuating exchange rates (in respect of those obligors with operations located in non-U.S. countries), such obligors may be more likely to experience financial stress and may be unable to meet their debt obligations due to the obligors' inability to achieve sufficient financial results or the unavailability of financing or under certain market conditions may not be able to refinance their debt obligations which may increase their risk of default. Although recently default rates for below investment grade debt obligations have decreased relative to prior years, there can be no

assurance that default rates will not increase, perhaps significantly, in the future. All risks associated with the Issuer's investment in such obligation be borne by the owners of the Notes.

All Accounts

All Accounts are subject to losses from trade errors. Credit Value Partners endeavors to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. To the extent an error is caused by a counter-party, such as a broker, Credit Value Partners will strive to recover any loss associated with such error from such counterparty. Credit Value Partners will determine whether any trade error has resulted from fraud, bad faith, gross negligence or willful misconduct on its part (or from the negligence, dishonesty or bad faith of one of its brokers or agents) and, unless it finds that to be the case, any losses will be borne by (and any gains will benefit) the Accounts.

Please refer to each such CVP Account's offering memorandum or separate disclosure document, as applicable, for a more detailed description of such risks.

Cybersecurity Risks

As part of its business, Credit Value Partners processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the clients and personally identifiable information of the investors. Similarly, service providers of Credit Value Partners and its clients, especially the administrator of a client, may process, store and transmit such information. Credit Value Partners has procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to Credit Value Partners may be susceptible to compromise, leading to a breach of Credit Value Partners' network. Credit Value Partners' systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by Credit Value Partners to the investors may also be susceptible to compromise. Breach of Credit Value Partners' information systems may cause information relating to the transactions of clients and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed.

The service providers of Credit Value Partners and the clients are subject to the same electronic information security threats as Credit Value Partners. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the clients and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of Credit Value Partners' or the clients' proprietary information may cause Credit Value Partners or the clients to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory

intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the clients and the investors' investments therein.

Item 9 Disciplinary Information

The firm is not aware of any legal or disciplinary events involving CVP that are material to its advisory business or to the management of any client account. As an advisory affiliate of NYLIC, CVP is obligated to include certain disclosures on Form ADV Part 1, Item 11, and accompanying Disclosure Reporting Pages, about disciplinary information related to NYLIC. Please see CVP's Form ADV Part 1, Item 11 and its accompanying Disclosure Reporting Pages ("DRPs") for disclosure about disciplinary information related to NYLIC.

Item 10 Other Financial Industry Activities and Affiliations

Certain of Credit Value Partners' affiliates serve as general partners to certain Funds. Additionally, Credit Value Partners may, on behalf of the Funds and separately managed accounts it manages, for liquidity, portfolio rebalancing, trade allocation or other reasons, purchase financial instruments from, sell financial instruments to or enter into agreements with other investment funds or separately managed accounts (*i.e.*, "cross transactions"). The terms of any such cross transactions will be commercially reasonable and will not be materially less favorable to the investment funds than those available in the market with an unrelated third party. Credit Value Partners will receive no special fees or other compensation in connection with cross transactions. Expenses incurred in a cross transaction will be allocated equitably between the investment fund or separately managed account and the other party to the cross transaction. Similarly, if a transaction is cancelled, any costs incurred will be allocated equitably between the investment fund or separately managed account and the other party to the cross transaction. When effecting cross transactions between Accounts, Credit Value Partners will have potentially conflicting divisions of loyalty and responsibility with respect to each participating Account. To the extent that any such cross transaction may be viewed as a principal transaction due to the ownership interest in an investment fund by Credit Value Partners and its personnel, Credit Value Partners will comply with the requirements of Section 206(3) of the Advisers Act, including that Credit Value Partners will notify the Fund (or an independent representative of the Fund) or separately managed account owner in writing of the transaction and obtain the consent of the Fund (or an independent representative of the Fund) or separately managed account owner.

Credit Value Partners' personnel may invest in eligible Funds of its or their choosing and are not required to invest in all Funds. It is expected that, if such investments are made, the size of these investments will change over time. Neither Credit Value Partners nor its personnel are required to keep any minimum investment in any of the Funds.

The Funds will be subject to a number of actual and potential conflicts of interest involving Credit Value Partners and its affiliates. Any such conflict of interest could have a material adverse effect on the Funds and their investors. However, Credit Value Partners and its affiliates have substantial incentives to see that the assets of the Funds appreciate in value, and merely because an actual or potential conflict of interest exists does not mean that it will be acted upon to the detriment of the Funds. When a conflict of interest arises, Credit Value Partners will endeavor to ensure that it is resolved fairly. Credit Value Partners has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest. For example, all employees of Credit Value Partners must promptly report to their supervisor and the chief compliance officer any potential or actual conflict of interest that results from that employee's position or duties, including potential or actual conflicts related to personal account trading, business affiliations, directorships, and the giving and receiving of business gifts and entertainment.

Further, conflicts of interest may arise from the fact that Credit Value Partners, its personnel and its affiliates engage in a wide variety of businesses, and currently and in the future,

will provide investment management services to multiple Accounts. Credit Value Partners or the Accounts may invest or have some interest in certain of such Accounts or other businesses.

The Accounts may have the same, similar or different investment objectives from one another. Credit Value Partners and its affiliates may give advice and recommend investments to certain Accounts which may differ from advice given to, or investments recommended or bought for, other Accounts, even though their investment objectives may be the same or similar. Furthermore, the fact that an Account will pursue many of the same investment and trading strategies as certain other Accounts is likely to have beneficial effects on such other Accounts. For example, when multiple Accounts establish the same or similar positions, the existence of the Accounts' positions could have a beneficial impact on pricing and possibly trading in the relevant market. Such benefits are likely to enhance the value and perhaps the liquidity of other Accounts and, consequently, increase the compensation earned by Credit Value Partners from such other Accounts. Thus, there will be conflicts of interest inherent in managing the multiple Accounts simultaneously.

Credit Value Partners and its affiliates will devote as much of their time to the activities of the Accounts as they deem necessary and appropriate. Credit Value Partners and its affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships, including co-investments by certain investors, or from engaging in other business activities, even though such activities may be in competition with each of the Accounts and/or may involve substantial time and resources of Credit Value Partners or one or more of its affiliates. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of Credit Value Partners and its officers and employees will not be devoted exclusively to the business of the Accounts but will be allocated between the business of the Accounts and such other investment funds and separately managed accounts.

Credit Value Partners may give advice or take action with respect to the investments and transactions in certain Accounts that may differ from the advice given or the timing or nature of any action taken with respect to financial instruments and transactions in other Accounts due to a variety of differences such as regulatory and tax issues and differences in investment programs. As a result, even though certain Accounts may have similar investment objectives and pursue similar investment strategies, they may have substantially different portfolios and investment returns. Conflicts of interest may also arise when Credit Value Partners makes decisions on behalf of certain Accounts with respect to matters where the interests of Credit Value Partners or one or more other Accounts differ from such Accounts. Credit Value Partners will implement internal processes and mechanisms for assessing the investment programs of the Accounts.

Credit Value Partners and its affiliates may earn substantial additional fees in connection with the Accounts' investments in products structured by Credit Value Partners or its affiliates, including structuring and collateral management fees. Such fees may not be credited to the Accounts, or reduce or offset the Management Fee payable by the Limited Partners or account owners to Credit Value Partners or its affiliates, or the Incentive Allocation. As a result, some or all of such remuneration received by the Credit Value Partners or its affiliates will not benefit the Accounts, and conflicts of interest may arise in connection with the payment of such fees. In addition, such fees could influence Credit Value Partners' advice to the Accounts. Among other

matters, these arrangements could affect the Advisor's judgment with respect to the structuring of loan origination investments to provide higher structuring fees which will be retained by Credit Value Partners or its affiliates rather than higher interest rates which would otherwise result in higher returns to the Accounts.

Certain actual and potential conflicts of interest may also arise from the fact that:

- certain Accounts may invest in other Accounts, and the personnel managing such investing Accounts generally will have more information about the investee Accounts and their investments than other investors which may influence their decisions about investing in, or withdrawing, the investing Accounts' investments in the investment funds;
- Credit Value Partners uses certain of the strategies described herein in certain of its Accounts and Credit Value Partners has sole discretion in determining the investment funds' level of participation in the strategies described herein;
- personnel who provide services to Credit Value Partners and affiliates of Credit Value Partners may choose to personally invest in certain, but not all, or none of the Accounts;
- the Accounts may acquire certain securities of entities for which Credit Value Partners or an affiliate acts as investment adviser, or general partner and receives compensation therefrom or is the initial purchaser of such securities;
- Credit Value Partners, its affiliates and certain Accounts may acquire investments representing different parts of the capital structure of issuers in which the Funds invest and, in connection therewith, may take actions that have an adverse effect on the Funds' investments;
- Credit Value Partners and its affiliates may be buyers or sellers of credit protection that reference securities or other assets owned by the Accounts;
- Credit Value Partners and its directors, officers, agents and affiliates and their employees may serve on creditor or equity committees or advise companies subject to bankruptcy or insolvency proceedings or otherwise be engaged in financial restructuring activities in a variety of capacities;
- One of the Accounts which Credit Value Partners manages on a non-discretionary basis is wholly owned by Credit Value Partners and is not charged a management fee; and
- Credit Value Partners may enter into side letters and other agreements and arrangements with certain clients or investors pursuant to which those clients or investors may receive reports and have access to information regarding the Accounts' portfolios that might not be generally available to other clients or investors. Such

clients or investors may be able to base their investment decisions, including, without limitation, a decision to withdraw their capital from certain Accounts on information that is not generally available to other clients or investors. Side letters may also provide more favorable terms relating to liquidity and fees or incentive fees

Other present and future activities of Credit Value Partners and its affiliates may give rise to additional conflicts of interest. In the event that a conflict of interest arises, Credit Value Partners will attempt to resolve such conflicts in a fair and equitable manner.

CFTC/NFA Registration

CVP Distressed Duration General LLC, CVF III General LLC, CVF IV General LLC and CHIPC General LLC, and Credit Value Partners LLC are all registered as commodity pool operators (“CPOs”) with the Commodity Futures Trading Commission (the “CFTC”) and are members of the National Futures Association (the “NFA”). In addition, certain CVP principals (Donald Pollard, Michael Geroux and Grant Pothast) are registered with the CFTC and the NFA as an associated person of the CPOs.

Other Affiliates

As a subsidiary of NYLIC, CVP is also affiliated with the following entities, some of which are registered investment advisers and/or commodity pool operators/commodity trading advisers, or registered broker-dealers: New York Life Investment Management LLC, Institutional Capital LLC, Cornerstone Capital Management LLC, Cornerstone Capital Management Holdings LLC, Mackay Shields LLC, Goldpoint Partners LLC, Eagle Strategies LLC, NYL Investors LLC, NYLIFE Securities LLC, NYLIFE Distributors LLC, Madison Capital Funding LLC, INDEXIQ Advisors LLC, Candriam Luxemburg SA, Ausbil Investment Management Limited, Candriam Belgium SA, Candriam France SAS, and Seguros Monterrey New York Life SA DE CV.

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

Credit Value Partners strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, Credit Value Partners has adopted a Code of Ethics. The Code of Ethics incorporates the following general principles that all employees are expected to uphold:

- employees must at all times place the interests of clients first;
- all personal securities transactions must be conducted in a manner consistent with the Code of Ethics and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided;
- employees must not take any inappropriate advantage of their positions;
- information concerning the identity of securities and financial circumstances of clients, including investment funds' investors, must be kept confidential; and
- independence in the investment decision making process must be maintained at all times.

The Code of Ethics also places restrictions on personal trades by employees, including that they disclose their personal securities transactions to Credit Value Partners on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions.

Clients may request a copy of the Code of Ethics by contacting Credit Value Partners at the address, email address or telephone number listed on the cover page of this brochure.

Credit Value Partners also maintains insider trading policies and procedures that are designed to prevent the misuse of material, non-public information. Credit Value Partners' personnel are required to certify their compliance with the Code of Ethics, including the Insider Trading Policies.

Credit Value Partners' insider trading policies prohibit Credit Value Partners and its personnel from trading for the Accounts or themselves, or recommend trading, in securities of a public company while in possession of material, non-public information about the company, which is referred to as "insider" information, and from disclosing such information to any person not entitled to receive it. By reason of its various activities, Credit Value Partners may have access to insider information or be restricted from effecting transactions in certain investments that might otherwise have been initiated. Credit Value Partners has designed and implemented policies and procedures reasonably designed to shield its investment professionals in most cases from access to insider information so that investment decisions may be made on the basis of public information only. Among other things, such policies seek to control and monitor the flow of insider information to and within Credit Value Partners, as well as prevent trading based on

insider information. Accordingly, Credit Value Partners may not have access to insider information that other market participants or counterparties are eligible to receive.

Notwithstanding such policies and procedures, there may be certain cases where Credit Value Partners either may receive insider information due to its various activities on behalf of itself or the Accounts or may be restricted in acting for the Accounts, resulting in limited liquidity or using such information for the benefit of certain clients in specific securities. Credit Value Partners seeks to minimize those cases whenever possible, consistent with applicable law and its insider trading policies, but there can be no assurance that such efforts will be successful and that such restrictions will not occur.

Item 12 Brokerage Practices

Credit Value Partners considers the full range and quality of a broker's services, including execution capability, commission rate, financial responsibility and responsiveness when selecting broker-dealers for client transactions and when determining whether a broker's compensation is reasonable. Further, Credit Value Partners seeks to obtain best execution for brokerage transactions for its clients and from time to time reviews its trade execution practices to assess the quality of the execution of brokerage transactions.

Research and Other Soft Dollar Benefits

Credit Value Partners generally does not enter into "soft dollar" arrangements, meaning arrangements where an investment adviser obtains products and services, other than securities execution, from a broker-dealer in return for directing client securities transactions to the broker-dealer. Credit Value Partners' client brokerage commissions are not directed to particular brokers in exchange for information we receive. Credit Value Partners does, however, receive research and unpublished commentary from a variety of broker-dealers, including those to whom our clients pay a commission in connection with purchase and sales of loans and other transactions. The research and commentary can include both proprietary as well as third party materials. While much of the information is unsolicited and not directly relevant to the transactions in which we engage, some is specifically related to, and can aid in decision-making regarding, the loans or other assets underlying client transactions. Credit Value Partners views this research and commentary as "free" in that it does not agree to pay a higher commission to receive such research and commentary than we would otherwise pay for execution of client transactions. That being said, the provision of such information may create an incentive to select a broker-dealer based on the volume or quality of the information from a particular broker-dealer, rather than on execution price. Any benefits to our investment analysis gleaned from the information received on an asset underlying a client transaction is for the benefit of all clients that participate in the transaction.

Brokerage for client referrals

Not applicable.

Directed Brokerage

In an advisory relationship, Credit Value Partners customarily makes periodic investment recommendations or decisions to or on behalf of each applicable advisory client. These recommendations include identifying securities to be bought or sold, the total amount of such purchases and sales, and the timing and price of such transactions.

Credit Value Partners may have the right to determine the executing brokers or, in certain circumstances, an advisory client may request that Credit Value Partners, as an accommodation, place orders for the purchase or sale of the securities being recommended with a specific broker. Client directed brokerage arrangements often result in the inability to achieve the most favorable

execution of transactions and may result in higher costs to clients because there is no ability for Credit Value Partners to aggregate orders to reduce transaction costs.

Credit Value Partners has a fiduciary obligation to allocate investment opportunities among its various clients in a manner that results in fair and equitable treatment of client accounts over time. To that end, the execution of orders for clients that have identified the use of a particular broker may be delayed until after the execution of non-broker designated orders have been completed, or Credit Value Partners' portfolio managers may use another trade execution process to satisfy a client that has designated the use of a particular broker.

With respect to Funds that invest directly in investment securities or other assets and with respect to separately managed accounts, if Credit Value Partners believes that the purchase or sale of a security is in the best interest of more than one Fund or more than one separately managed account, it may (but is not obligated to) aggregate the orders to be sold or purchased to obtain favorable execution or lower brokerage commissions, to the extent practicable and when permitted by applicable laws and regulations.

Where trades are aggregated, the transactions, as well as the expenses incurred in the transactions, will be allocated by Credit Value Partners according to a policy designed to seek to ensure that such allocation is fair and equitable over time and consistent with Credit Value Partners' fiduciary duty and client guidelines in order to construct a fully invested portfolio (including its duty to seek to obtain best execution of trades).

Depending upon market conditions, the aggregation of orders may result in higher or lower average prices paid or received. Orders which are not aggregated are entered at the market prices prevailing at the time of the transaction. Accordingly, trades that are not aggregated and entered at different times during the same day may result in different pricing.

In addition, derivative transactions may be priced by the counterparty or pursuant to the respective documentation for the derivative transactions. Thus, client portfolios may be priced at different levels. While Credit Value Partners seeks to minimize the price disparity that may result, there can be no assurance that consistent pricing will be achieved among advisory clients and investment funds. Further, there is no assurance that investment funds or advisory clients with similar strategies will hold the same investments or perform in a similar manner.

Allocations are made in a manner which Credit Value Partners deems to be fair and equitable over time. Due to the nature of certain assets as well as specific client guidelines, *pro rata* allocation of trading opportunities is not always feasible and therefore, such allocations are driven primarily by a number of factors, including client guidelines, Fund documentation, legal and tax concerns and Credit Value Partners' internal investment policies. Credit Value Partners' internal investment policies are based in general on its overall view of market conditions relative to the investment portfolio, including such factors as, the nature and size of existing holdings and cash positions. For example, consideration may be given to Funds which are ramping up or have sizable inflows or outflows of funds. Allocations may be made to accounts managed in a similar manner in order to provide similar size exposure to investments.

Credit Value Partners generally aggregates orders among Accounts participating in the same investment. When aggregating orders, Credit Value Partners follows documented policies and procedures and seeks to aggregate orders between participating Accounts in a manner which it deems fair and equitable.

Item 13 Review of Accounts

Credit Value Partners' investment professionals review the relevant portfolios on an ongoing basis and provide written reports to advisory clients at such times as set forth in the relevant Fund documentation or advisory agreement. The investments made by Credit Value Partners' clients are generally long-term in nature. Accordingly, the review process is not directed toward a short term decision to purchase or sell securities. However, Credit Value Partners carefully monitors companies in which its clients invest and generally maintains an ongoing evaluation of such companies.

The primary investment adviser of the separately managed accounts and investors in each Fund are generally provided with periodic written reports and relevant tax reporting information. In addition, special written reports may be developed to meet specific client requirements or respond to client inquiries. Periodic reports delivered to the primary investment adviser of the separately managed account are generally delivered daily and monthly and generally include information regarding all of the activities and holdings of the separately managed account.

Item 14 Client Referrals and Other Compensation

Credit Value Partners or the Funds may pay fees to financial intermediaries, advisers, planners, and individuals who refer their clients to Credit Value Partners. Depending upon the Fund's structure and documentation, such fees can be paid from the applicable Fund's assets, and the Fund may receive a corresponding reduction in management fees. In the alternative, Credit Value Partners or its affiliates may pay a portion of their advisory fees and/or performance compensation, if any, to any of their respective affiliates and other third parties for purchasers of interests in Accounts. In addition, Credit Value Partners or its affiliates may pay a portion of their advisory fees and/or performance compensation, if any, to any of their respective affiliates and other third parties for their referral of clients or investors in Funds to Credit Value Partners. Such fees paid to any affiliates and other third parties also will be in accordance with applicable law and any other applicable obligations of those individuals and entities receiving such fees.

Historically, Credit Value Partners has engaged Credit Suisse Securities (USA) LLC and certain other entities as non-exclusive placement agents for the placement of investors in certain of the Funds. Such placement agents receive ongoing payments based upon a percentage of the management fee or commitments attributable to the investors in the applicable Fund introduced to Credit Value Partners.

Credit Value Partners is not compensated for its investment advice or other advisory services from a client other than the management fees and performance allocations or fees described above. Please see "**Item 5 - Fees and Compensation**," "**Item 6 - Performance Based Fees and Side-by-Side Management**" and "**Item 12 - Brokerage Practices**," above for a discussion of fees that Credit Value Partners may charge.

Item 15 Custody

Because certain of Credit Value Partners' related persons act as general partners of certain CVP Funds, Credit Value Partners is deemed to have custody of such Funds' assets and therefore must adhere to applicable requirements under Rule 206(4)-2 of the Advisers Act ("Custody Rule"). Credit Value Partners is also be deemed to have custody because it has the ability to withdraw assets from certain Accounts, including authorization to withdraw advisory fees from their custodial accounts.

J.P. Morgan Clearing Corp or US Bank National Association acts as the qualified custodian to each of the Funds. The Bank of New York Mellon acts as qualified custodian for the separately managed accounts and US Bank National Association acts as qualified custodian for the CLOs. In addition, in accordance with the Custody Rule, Credit Value Partners provides a copy of each Fund's audited financial statements to its investors within 90 days of the end of each fiscal year.

Item 16 Investment Discretion

Credit Value Partners has full discretionary authority with respect to investment decisions, and its advice with respect to the Accounts is given in accordance with the investment objectives and guidelines set forth in the applicable offering documentation or advisory agreement, as the case may be. CVP Distressed Fund LLC is the only non-discretionary member-managed fund under management. Except as otherwise may be set forth in such documents, investors in the Funds may not impose restrictions on investing in certain securities or types of securities. Moreover, each of the Funds and the separately managed accounts have entered into an advisory agreement with Credit Value Partners that, in each case, appoints the relevant Credit Value Partners entity as its investment adviser or its attorney-in-fact with full power and authority to supervise and direct its investments on a fully discretionary basis.

Credit Value Partners determines which investment securities or other assets are to be purchased and/or sold for the Accounts. Credit Value Partners may be limited as to the securities or other assets that may be purchased by the offering documents and other governing documents of the Funds or the investment mandate provided by clients with respect to the separately managed accounts, as well as applicable securities laws.

Item 17 Voting Client Securities

Rule 206(4)-6 under the Advisers Act requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies. In compliance with such rules, Credit Value Partners has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any, in a manner that serves the best interests of the relevant Accounts, as determined by Credit Value Partners, in its discretion, taking into account the following factors: (i) the impact on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices. In limited circumstances, Credit Value Partners may refrain from voting proxies when Credit Value Partners believes that voting would be inappropriate. Credit Value Partners will consider the cost of voting the proxy and the anticipated benefit to the Accounts when making a determination to refrain from voting proxies.

Investors in the Funds may not direct Credit Value Partners' vote in a particular situation. Conflicts of interest between Credit Value Partners and the Accounts with respect to the voting of their securities are addressed by Credit Value Partners' proxy voting committee, which is comprised of Credit Value Partners' portfolio managers, controller and chief compliance officer. The proxy voting committee will review the proxy voting policies and procedures of Credit Value Partners annually to ensure that they are designed to promote the best interests of its clients.

In the event that the proxy voting committee favors voting in a manner that is inconsistent with the proxy voting policies and procedures, Credit Value Partners will disclose the proxy voting committee's position to the client along with relevant information relating to any conflicts of interest and obtain client consent before voting. If the applicable client is an investment fund, the necessary disclosure will be made to any one director, general partner or managing member who is not an "interested person" as that term is defined in the Investment Company Act of 1940, as amended.

A copy of the proxy voting policies and procedures of Credit Value Partners is available to clients upon request by contacting Credit Value Partners' Chief Compliance Officer at the address and telephone number shown on the cover page of this brochure. Upon request, Credit Value Partners will also disclose to its clients how they can obtain information on their proxy votes.

Item 18 Financial Information

Credit Value Partners believes that there is no financial condition that is reasonably likely to impair Credit Value Partners' ability to meet its contractual commitments to its clients.