

FIRM BROCHURE  
(Part 2A for Form ADV)

**ITEM 1 – COVER PAGE**

---

CHIRON®

Chiron Investment Management, LLC  
1350 Avenue of the Americas,  
Suite 700  
New York, NY 10019  
Phone: 212-484-1865

[www.chironim.com](http://www.chironim.com)

March 30, 2020

This brochure provides information about the qualifications and business practices of Chiron Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at: 913-533-2250, or by email at: [Chiron.Compliance@fsinvestments.com](mailto:Chiron.Compliance@fsinvestments.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”), or by any state securities authority or non-U.S. regulatory authority.

Chiron is a registered investment adviser with the SEC; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

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

## ITEM 2: MATERIAL CHANGES

Since Chiron Investment Management, LLC's ("Chiron" or the "Firm") last Form ADV annual update, as of March 31, 2019, the following material changes occurred:

Effective February 28, 2020, Franklin Square Holdings, L.P. (FSH) completed its acquisition with Chiron Global Investors, LLC, the corporate parent of Chiron Investment Management, LLC (Chiron), of one-hundred percent (100%) of the issued and outstanding equity interests of Chiron. Chiron now operates as a wholly owned subsidiary of FSH.

FSH is an investment firm founded in 2007 and sponsors investment funds with aggregate assets under management exceeding \$23 billion as of March 31, 2019. FSH has formed strategic partnerships with institutional managers to support its multiple strategies and various investment structures designed for financial advisors, individuals and institutions, including business development companies, interval funds, mutual funds and REITs. FSH also focuses on setting industry standards for investor protection, education and transparency.

Chiron believes the acquisition will benefit its Clients in the following respects, among others:

- Chiron will have access to the greater financial resources of FSH, which is expected to allow Chiron to grow the research and investment management capabilities it provides to its Clients.
- Chiron will have access to the systems and personnel of FSH, which is expected to allow Chiron to manage its operations more efficiently.
- Chiron will have access to the new distribution networks and investor relationships provided by FSH, which offer the potential to increase assets and achieve economies of scale.
- Each portfolio manager continues to manage Client assets, which allows Clients to experience continuity of management.

The acquisition was deemed to result in a change of control of Chiron under the Investment Company Act of 1940, (1940 Act) resulting in the assignment, and automatic termination, of the advisory agreement between the U.S. Mutual Funds, and Chiron. Section 15(a)(4) of the 1940 Act requires the automatic termination of an advisory contract when it is assigned. As a result, on February 27, 2020, shareholders of the U.S. Mutual Funds approved a new advisory agreement on behalf of the U.S. Mutual Funds and Chiron so that Chiron's management of the U.S. Mutual Funds will continue without any interruption.

---

## ITEM 3: TABLE OF CONTENTS

ITEM 1 – COVER PAGE .....	1
ITEM 2: MATERIAL CHANGES .....	1
ITEM 3: TABLE OF CONTENTS .....	2
ITEM 4: ADVISORY BUSINESS.....	4
A. General Description of Advisory Firm .....	4
C. Availability of Customized Services for Clients.....	5
D. Wrap Fee Programs.....	5
E. Assets Under Management .....	5
ITEM 5: FEES AND COMPENSATION .....	5
A. Advisory Fees and Compensation .....	5
B. Deduction of Fees.....	6
C. Additional Fees Charged .....	6
ITEM 6: PERFORMANCE-BASED FEES AND SISDE-BY-SIDE MANAGEMENT.....	7
ITEM 7: TYPES OF CLIENTS.....	7
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	7
A. Methods of Analysis and Investment Strategies.....	8
C. Material, Significant or Unusual Risks .....	9
ITEM 9: DISCIPLINARY INFORMATION.....	12
A. Legal and Disciplinary .....	12
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	12
A. Broker-Dealer Registration Status.....	12
B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status .....	12
C. Material Relationships and Arrangements.....	12
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	12
A. Code of Ethics .....	12
ITEM 12: BROKERAGE PRACTICES.....	14
A. Broker Selection .....	14
B. Order Allocation and Aggregation.....	18
ITEM 13: REVIEW OF ACCOUNTS.....	19
A. Reviews.....	19
Regular Reports .....	20
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION .....	20

A. Industry Sources ..... 20

B. Client Referrals ..... 20

ITEM 15: CUSTODY ..... 20

ITEM 16: INVESTMENT DISCRETION ..... 21

    A. Discretionary Authority for Trading ..... 21

    B. Claims on Behalf of Clients ..... 21

ITEM 17: VOTING CLIENT SECURITIES ..... 21

    A. Proxy Votes..... 21

ITEM 18: FINANCIAL INFORMATION ..... 22

    A. Financial Condition ..... 22

## **ITEM 4: ADVISORY BUSINESS**

### **A. General Description of Advisory Firm**

Chiron was initially formed in July 2015 as a boutique investment management firm focused on managing multi-asset class investment strategies with a Quantamental approach: quantitative base with a fundamental active management overlay. Chiron was originally founded by Enrico Gaglioti, Ryan Caldwell, Marc Spilker and Scott Prince. In February 2020, Franklin Square Holdings, L.P. (FSH) completed an acquisition of 100% of Chiron's issued and outstanding equity interests. Chiron now operates as a wholly owned subsidiary of FSH. Chiron maintains offices in New York, New York and Leawood, Kansas. Chiron's first mutual fund launched on November 30, 2015, the Advisors' Inner Circle Fund III - Chiron Capital Allocation Fund, an open-end 1940-Act Mutual Fund, followed by the launch of Chiron Global Opportunities Fund (an Ireland domiciled UCITS Fund) on March 27, 2017, and the launch of another open end 1940-Act Mutual Fund, the Advisors' Inner Circle Fund III - Chiron SMid Opportunities Fund, on October 2, 2017.

Chiron is organized as a Delaware limited liability company and registered in August of 2015 with the SEC, as an investment adviser. Chiron is a wholly owned, direct subsidiary of FSH.

### **B. Description of Advisory Services**

Chiron's proprietary combination of quantitative and fundamental processes, Quantamental, enables it to add value by identifying correct investment styles and the corresponding factors that drive those styles. Chiron's selection process is agnostic to growth or value; however, it focuses on emphasizing the correct attribute when the market is willing to reward it.

Chiron provides primarily discretionary investment advisory and management services to:

- U.S. open-end registered investment companies (U.S. Mutual Funds), which are registered with the SEC pursuant to the Investment Company Act of 1940, as amended (1940 Act); and
- UCITS (Undertakings for Collective Investments in Transferable Securities), domiciled in Ireland as an ICAV, Irish collective asset-managed vehicle.

Investors in the U.S. Mutual Funds and the UCITS fund (Pooled Accounts or Funds) are not considered Chiron's advisory clients and do not enter into investment management agreements with Chiron. With respect to any Fund, this Brochure is qualified in its entirety by the Fund's offering memorandum, prospectus, statement of additional information and/or similar disclosure and governing documents (collectively, the offering documents).

### **Services for Pooled Accounts**

Subject to the supervision of each Fund's board of directors or trustees, Chiron provides investment management and certain related administrative services necessary for the operation of each Fund. Chiron's responsibilities include, without limitation, investment advisory services, research services, recommending and placing of orders for the purchase and sale of securities for the Funds' portfolios (based on investment objectives and guidelines of each Fund), working with custodians, transfer agents, pricing agents, accountants, auditors, distributors, and furnishing reports, evaluations and analysis on a variety of subjects.

### **C. Availability of Customized Services for Clients**

If Chiron accepts a separately managed account, Chiron may, upon written agreement, tailor its investment advisory services to the specific needs of a client. A client may select an investment strategy with existing, standard investment guidelines or a client may request reasonable restrictions on the management of its account. If Chiron agrees to those restrictions, it will manage the account in accordance with the revised investment guidelines. Chiron may not be able to accommodate proposed investment restrictions that are onerous or incompatible with Chiron's standard investment strategies and investment philosophy, and Chiron may decline to accept or terminate accounts with such restrictions.

### **D. Wrap Fee Programs**

Chiron does not provide portfolio management services for wrap fee programs.

### **E. Assets Under Management**

As of February 28, 2020, Chiron managed, on a discretionary basis, \$1,466,967,299. To date, Chiron does not manage any assets on a non-discretionary basis.

## **ITEM 5: FEES AND COMPENSATION**

### **A. Advisory Fees and Compensation**

The specific manner in which Chiron charges advisory fees for client portfolios is set out in a client's written investment management agreement with Chiron.

### **Registered Investment Company Fees**

Registered investment company fees are separately negotiated between Chiron and the Board of Trustees or Directors of a Fund. The fees are based on a percentage of assets under management. Chiron may agree, either on a voluntary basis or by contract, to waive a portion of its investment management fee, such as to limit overall Fund expenses to a specific total expense ratio. Registered investment company fees, and the terms of any waiver, are disclosed in the applicable Fund prospectus.

Chiron currently assesses an annual management fee of approximately 95 basis points for its registered investment company client, Chiron Capital Allocation Fund, and 90 basis points for its second registered investment company client, Chiron SMid Opportunities Fund. These fees are accrued daily and paid monthly, in arrears.

Investment management agreements between Chiron and registered investment company clients may be terminated at any time on specified notice, without the payment of any penalty, by the Board of Trustees or Directors of the investment company. The agreements automatically terminate in the event of their assignment.

### **UCITS Fees**

In March of 2017, Chiron launched the Chiron Funds ICAV, an investment company registered in Ireland as an undertaking for collective investment in transferable securities, or UCITS. The Fund's annual investment management fee varies by share class and is disclosed in the Fund's prospectus. The fee is based on average assets, accrued daily and payable monthly. The Fund is only available to non-U.S. investors. Effective January 2019, the UCITS fund (Chiron Global Opportunities Fund) launched a share

class through which Chiron may earn a performance fee. (See Item 6- *Performance-Based Fees and Side-By-Side Management* for more information)

### **Negotiated Fees**

From time to time, Chiron may enter into negotiated fee arrangements that, in light of a particular investor's special circumstances or other factors, may result in fee schedules that differ from the standard fee schedules. Such circumstances may include, without limitation: pre-existing relationship; service levels; special investment guidelines; Chiron's level of assets at time of investment; whether a new account is expected to grow rapidly; the number of different accounts and total assets under management for that client (and its affiliates); and other circumstances or factors that Chiron deems relevant.

### **B. Deduction of Fees**

If a client requests that Chiron automatically deduct management fees from its account(s), Chiron will bill the client's custodian directly in accordance with Rule 206(4)-2 (the Custody Rule) under the Investment Advisers Act of 1940 (the Advisers Act). At this time, Chiron does not have any such clients or fee payment arrangements in place.

### **C. Additional Fees Charged**

Clients, rather than Chiron, bear transaction costs related to buying and selling securities. In addition, clients may incur certain other charges imposed by custodians, brokers (including brokerage commissions, dealer markups and other expenses incurred in the acquisition or disposition of securities), distributors and other third parties such as for custodial fees, bank service fees, clearing and settlement charges, withholding and transfer fees, odd-lot differentials, wire transfer, other fees and taxes on brokerage accounts and securities transactions, and professional fees and expenses (including, without limitation, expenses of legal counsel, accountants, consultants and experts) relating to securities. Funds may bear other expenses which are typically disclosed in the applicable offering documents. Accounts that permit the use of margin or short sales of securities or other borrowings will incur interest on margin accounts and other indebtedness; costs, including interest expense and commitment fees, connected to selling securities short. When a Fund or account invests in other investment companies and pooled vehicles such as mutual funds and exchange traded funds, the Fund or account bears a proportionate share of expenses charged by the investment company or pooled vehicle in which it invests. The charges, fees and commissions discussed above are exclusive of and in addition to Chiron's management fee, and Chiron does not receive any portion of these commissions, fees and costs.

Chiron also will use "soft dollars" generated by client transactions to pay for brokerage (i.e., effecting securities transactions) and research products and services (i.e., advice, analysis and reports) for clients, consistent with Chiron's best execution and soft dollar policy and with Section 28(e) of the Securities Exchange Act of 1934, as amended (Section 28(e)). See Item 12-*Brokerage Practices* for more information on Chiron's use of soft dollars.

Investors in Funds will bear all of the expenses set forth above, plus the following additional expenses to the extent permitted under the applicable prospectus or offering documents: third party fund administrator fees and expenses; pricing costs; fund accounting and recordkeeping expenses; acquired fund fees and expenses, legal, accounting, audit and tax preparation expenses; expenses of shareholder/investor meetings; corporate licensing fees; organizational and offering expenses; costs of filing reports with regulatory bodies; costs of the maintenance of insurance premiums; and any extraordinary expenses (including, without limitation, extraordinary litigation expenses and extraordinary consulting expenses).

Depending on the intermediary through which mutual fund shares are acquired, investors in Chiron-managed mutual funds may also bear distribution and/or servicing fees.

#### **ITEM 6: PERFORMANCE-BASED FEES AND SISDE-BY-SIDE MANAGEMENT**

In certain instances, Chiron offers a fee alternative in the form of specifically negotiated performance fee arrangements. Performance fees are negotiated in compliance with Rule 205-3 of the Advisers Act; such fees typically consist of a base management fee plus an adjustment based on investment performance compared to an established benchmark index.

To the extent Chiron charges a performance fee for a particular account (or share class in its UCITS fund), Chiron may be perceived to have an incentive to maximize gains in that account (and therefore maximize Chiron's fee) by making investments for that account that are riskier or more speculative than would be the case in the absence of a performance fee. Chiron may also be perceived to have an incentive to favor accounts for which it charges a performance fee over other types of client accounts, by allocating more profitable investments to performance fee accounts or by devoting more resources toward the management of those accounts.

Chiron seeks to mitigate the conflicts which may arise from managing accounts that bear a performance fee by monitoring and diligently enforcing its policies and procedures, including those related to investment allocation.

#### **ITEM 7: TYPES OF CLIENTS**

Chiron currently provides investment advisory services to U.S. registered open-end mutual funds and an Ireland domiciled UCITS fund. These products have various minimum investment requirements. See the applicable offering documents for each Fund for further details.

#### **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The following summary of investment objectives, principal investment strategies and material risks are necessarily limited and are presented for general information purposes in accordance with regulatory requirements. Consequently, these summaries are in all instances qualified and superseded by the descriptions of objectives, strategies and risks, portfolio reports and other communications which are provided to each client.

Chiron provides investment advisory services to Funds, as noted in Item 4-*Types of Advisory Services*. Information about each Fund's investment objectives, strategies and risks are described in their respective offering documents, including prospectuses; these Fund disclosure documents also supersede the following descriptions.

Investing in securities involves the risk of loss of money and clients investing their money with Chiron should be prepared to bear that loss. None of the Pooled Accounts or Funds for which Chiron provides portfolio management services is a deposit in a bank, nor are those Pooled Accounts or Funds insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.



## **A. Methods of Analysis and Investment Strategies**

Chiron's investment process emphasizes active management and combines fundamental and quantitative investment research, or Quantamental. Chiron's research process is an actively managed framework that allows it to quantify fundamental factors, systematize the approach and apply judgment to asset allocation and security selection. Chiron looks to discern what action managements are taking and what reactions this elicits from investors. The asset allocation framework, which is applied to the Capital Allocation/Global Opportunities strategy, is structured to seek to anticipate the conditions that lead to market drawdowns, while also anticipating the conditions that lead to rising markets.

The security selection framework is built on two fundamental behavior pillars: earnings quality, which is a measurement of cash flow, profitability, and growth; and dispute: a measurement of investor reaction to management behavior. Chiron utilizes two proprietary tools, the Chiron Domain Indicator and the Chiron Dispersion Indicator, to help identify the investment environment within which to allocate capital. These tools, or indicators, in combination help Chiron to establish an anchor for portfolio construction. By combining these proprietary tools with fundamental judgment, Chiron believes it can understand the conditions that lead to successful investment outcomes.

The Chiron Domain Indicator is a quantitative measure of fundamental factors that helps Chiron to detect what action managements are taking and how investors are rewarding or penalizing those actions. The output of the Domain Indicator informs which 'domain' is being rewarded in the market. Depending on the 'domain', the market rewards characteristics of value, growth or growth at a reasonable price. Chiron believes this is consistent across capital structure. Chiron believes that value and growth domains create similar characteristics in stocks and bonds. Chiron's selection process is agnostic to growth or value; however, it desires to emphasize the correct attribute when the market is willing to reward it.

The Chiron Dispersion Indicator is a quantitative measure of valuation. The output of the Dispersion Indicator compares the valuation of both the cheapest and most expensive stocks compared to the market average. Chiron believes that this creates a 'bond-like' measurement spread for equities. During times of market distress and volatility, the market values companies in a different way. Chiron applies the Dispersion Indicator to its equity universe across geographies.

The Indicators, in combination, serve as an anchor for Chiron's investment process; they provide a starting point to aid Chiron in determining where to allocate capital globally. Chiron believes when it can recognize what conditions are being rewarded, it can assess the degree to which valuations are differentiated.

## **B. Strategies**

Chiron provides the following investment strategies:

Capital Allocation/Global Opportunities: this strategy seeks total return which consists of capital growth and income.

Chiron seeks to achieve its investment objective by allocating its assets among equity, fixed income and cash investments, of issuers in markets around the globe. Subject to identified allocation targets, the combination of a client's investments will vary from time to time, both with respect to the types of securities and markets, in response to changing market and economic trends. Chiron may allocate a substantial portion of its assets to non-U.S. securities, including emerging market issuers. An emerging market country is any country determined by Chiron to have an emerging market economy. Chiron may also invest in non-U.S. currencies, cash equivalents or bank deposits. Chiron seeks diversification across

markets, industries and issuers as one of its strategies is to reduce volatility. In making investment decisions, Chiron tries to identify long-term trends and changes that could benefit particular markets and/or industries and securities relative to other markets, industries and securities.

Chiron may use derivatives, including options, futures, swaps and currency forward contracts, to attempt to both increase the return of an account and hedge (protect) the value of an account's assets. Chiron may use options to create long or short equity exposure without investing directly in equity securities, while it may use futures to create long or short equity, fixed income or U.S. Treasury exposure without investing directly in the same. Chiron may also use swaps to create long or short exposure without investing directly in the underlying assets. As well, Chiron may use currency forwards to increase or decrease exposure to a given currency.

**SMid Opportunities Fund:** this strategy seeks long-term capital appreciation by pursuing a global investment strategy. It seeks to achieve its investment objective by investing in companies located around the globe in securities issued by small to middle market capitalization companies. Small to middle market capitalization, or SMID, companies are companies with market capitalizations of \$15.0 billion or less at the time of purchase. Pursuant to its global investment objective, this strategy has no geographic limits on where its investment may be located. It may allocate a substantial portion of its assets to non-U.S. securities, including emerging market issuers.

This strategy may also utilize derivatives, including swaps, purchased options, futures and currency forward contracts, to attempt to both increase its return and to hedge (protect) the value of its assets.

### **C. Material, Significant or Unusual Risks**

The following risk factors do not purport to be a complete list or explanation of the risks involved in Chiron's investment strategies. These risk factors include only those risks which Chiron believes to be material, significant or unusual and relate to significant investment strategies or methods of analysis employed by Chiron. Please review the relevant product's offering documents for more information. The risks, listed below, do not appear in any particular order of importance.

Generally, investing in securities involves a significant risk of loss. Chiron's investment recommendations are subject to various markets, currency, economic, political and business risks, and such investment decisions may not always be profitable. While risk is inherent in any investment, certain of the investments made and strategies used by Chiron may entail enhanced risks which cannot be easily mitigated, including, in addition to others noted, counterparty risk (i.e., the risk that the relevant counterparty will be unable to meet its obligations) liquidity risk, volatility risk and selection risks. These risks may be particularly increased for strategies which utilize derivatives, are concentrated in a particular sector or type of instrument, capitalization size or issuers in emerging markets. Clients should be aware that there may be a loss or depreciation to the value of the client's account, which clients should be prepared to bear. There can be no assurance that a client's investment objectives will be achieved and no inference to the contrary should be made. Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk and consequently, the value of the client's account may at any time be worth more or less than the amount invested.

**Management Risk.** Account performance is primarily dependent on Chiron's skill in evaluating and managing a Fund's portfolio and a Fund may not perform as well as other similarly managed accounts.

**Market Risk.** Adverse market conditions, sometimes in response to general economic or industry news, may cause the prices of the Fund holdings to fall as part of a broad market decline. The financial crisis in

the U.S. and foreign economies over the past several years, including the European sovereign debt crisis, has resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both U.S. and foreign. Global economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country or region may adversely affect issuers in another country or region, which may adversely affect securities held by a Fund. These circumstances have also decreased liquidity in some markets and may continue to do so. In addition, certain unanticipated events, such as natural disasters, terrorist attacks, war and other geopolitical events, can have a dramatic adverse effect on securities held by a Fund. In addition, the impact of any epidemic, pandemic or natural disaster, or widespread fear that such events may occur, could negatively affect the global economy, as well as the economies of individual countries, the financial performance of individual companies and sectors, and the markets in general in significant and unforeseen ways. Any such impact could adversely affect the prices and liquidity of the securities and other instruments in which the Fund invests, which in turn could negatively impact the Fund's performance and cause losses on your investment in the Fund.

**Equity Market Risk.** The risk that stock prices will fall over short or extended periods of time, sometimes rapidly and unpredictably. The value of equity securities will fluctuate in response to factors affecting a particular company, as well as broader market and economic conditions. Broad movements in financial markets may adversely affect the price of the Fund's investments, regardless of how well the companies in which the Fund invests perform. In addition, the impact of any epidemic, pandemic or natural disaster, or widespread fear that such events may occur, could negatively affect the global economy, as well as the economies of individual countries, the financial performance of individual companies and sectors, and the markets in general in significant and unforeseen ways. Any such impact could adversely affect the prices and liquidity of the securities and other instruments in which the Fund invests, which in turn could negatively impact the Fund's performance and cause losses on your investment in the Fund. Moreover, in the event of a company's bankruptcy, claims of certain creditors, including bondholders, will have priority over claims of common stockholders such as the Fund.

**Emerging Market Risk.** Investments in countries with emerging economies or securities markets may carry greater risk than investments in more developed countries. Political and economic structures in many such countries may be undergoing significant evolution and rapid development and such countries may lack the social, political and economic stability characteristics of more developed countries.

**Foreign Exposure Risk.** The securities of many companies may have significant exposure to foreign markets as a result of the company's products or services in those foreign markets. As a result, a company's domicile and/or the markets in which the company's securities trade may not be fully reflective of its sources of revenue. Such securities would be subject to some of the same risks as an investment in foreign securities, including the risk that political and economic events unique to a country or region will adversely affect those markets in which the company's products or services are sold.

**Foreign Securities Risk.** Investing in foreign securities involves a number of economic, financial and political considerations that may not be associated with the U.S. markets and that could affect a Fund's performance unfavorably, depending upon the prevailing condition at any given time. Among these potential risks are: greater price volatility; comparatively weak supervision and regulation of securities exchanges, brokers and issuers; higher brokerage costs; adverse tax consequences and settlement delays.

**Small and Medium Capitalization Company Risk.** The small and medium capitalization (cap) companies may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, investments in small and medium cap companies may pose additional risks,

including liquidity risk, because these companies tend to have limited product lines, markets, and financial resources, and may depend upon a relatively small management group. Therefore, small and medium cap stocks may be more volatile than those of larger companies.

For styles that may invest in fixed-income securities, the following risks may apply:

**Credit Risk.** An issuer of a fixed-income obligation or the counterparty to a derivatives' contract, may default or otherwise become unable to honor a financial obligation.

**Fixed-Income Risk.** The prices of fixed-income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. In addition, the impact of any epidemic, pandemic or natural disaster, or widespread fear that such events may occur, could negatively affect the global economy, as well as the economies of individual countries, the financial performance of individual companies and sectors, and the markets in general in significant and unforeseen ways. Any such impact could adversely affect the prices and liquidity of the securities and other instruments in which the Fund invests, which in turn could negatively impact the Fund's performance and cause losses on your investment in the Fund.

**Interest Rate Risk.** A rise in interest rates may cause a decline in the value of a Fund's securities, especially bonds with longer maturities. A decline in interest rates may cause a Fund to experience a decline in its income.

For styles that invest in derivatives, the following risks may apply:

**Derivatives Risk:** Chiron's use of futures contracts, forward contracts, options, and swaps is subject to correlation risk, leverage risk, liquidity risk and market risk. Correlation risk is the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Chiron's use of forward contracts, over-the-counter options and swaps is also subject to credit risk and valuation risk. Credit risk is described above. Valuation risk is the risk that the derivative may be difficult to value and or valued incorrectly. Moreover, certain derivative instruments can magnify the extent of losses incurred due to changes in the market value of the securities to which they relate. Leverage risk is the risk that the use of leverage may amplify the effects of market volatility and may cause a Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations.

## **ITEM 9: DISCIPLINARY INFORMATION**

### **A. Legal and Disciplinary**

There are no legal or disciplinary events that are material to a client's or a prospective client's evaluation of Chiron's advisory business or the integrity of Chiron's management.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. Broker-Dealer Registration Status**

Chiron is not registered as a broker-dealer.

### **B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status**

Chiron is not registered as, and does not have any application to register as, a futures commission merchant, commodity pool operator, or commodity trading advisor. Chiron is currently exempt from registration as a commodity pool operator and commodity trading advisor.

### **C. Material Relationships and Arrangements**

Chiron is a wholly owned subsidiary of FSH. FSH is an investment firm founded in 2007 and sponsors investment funds with aggregate assets under management exceeding \$23 billion as of March 31, 2019. FSH has formed strategic partnerships with institutional managers to support its multiple strategies and various investment structures designed for financial advisors, individuals and institutions, including business development companies, interval funds, mutual funds and REIT. FSH also focuses on setting industry standards for investor protection, education and transparency.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. Code of Ethics**

Chiron has adopted a Code of Ethics (Code) pursuant to the provisions of Rule 204A-1 under the Advisers Act and Rule 17j-1 of the 1940 Act. Chiron is committed to the highest business and ethical standards; the Code includes policies, procedures and guidance in understanding and fulfilling Chiron's responsibilities to its clients. The Code sets forth procedures and restrictions regarding personal trading and related activities of personnel that are designed to detect and prevent conflicts of interest between Chiron and its clients. All current employees are deemed to be Supervised Persons and access persons and thereby subject to the Code.

The Code is designed to promote the following general principles:

- Chiron has fiduciary obligations to its clients; Chiron and its access persons have a duty at all times to place the interests of its clients first and to avoid actual or potential conflicts of interest;
- Access persons must comply with all applicable laws, rules, regulations and policies;
- Access persons (and certain household members) must make periodic reports of their personal securities transactions and holdings;

- Access persons (and certain household members) must conduct their personal securities transactions in a manner that avoids an actual or potential conflict of interest or any abuse of trust and responsibility;
- Access persons may not use knowledge about current or pending client or portfolio transactions for the purpose of personal profit;
- Access persons may not give or receive gifts or participate in entertainment beyond the parameters set forth in the Code and Chiron's policies and procedures to avoid the appearance of favoritism or impropriety;
- Access persons may not engage in outside business activities that create potential conflicts of interest or interfere with their work responsibilities;
- Access persons may not make political contributions that are prohibited by Rule 206(4)-4 of the Advisers Act; and
- Access persons are encouraged to report in good faith what he/she believes to be a material violation of law or policy through the whistleblower policy.

All access persons must acknowledge the terms of the Code at least annually and when the Code is materially amended.

Clients and prospective clients may request a copy of the Code (which contains more detail on Chiron's specific policies and procedures) by contacting Chiron via email at [Chiron.Compliance@fsinvestments.com](mailto:Chiron.Compliance@fsinvestments.com) and/or via phone at 913-553-2250.

The Code includes various requirements designed to ensure that personal trading activity is properly disclosed. Upon becoming an access person, and on an annual basis thereafter, all access persons are required to certify that they have disclosed all personal brokerage accounts and covered securities in which they have a beneficial interest. All access persons are also required to submit quarterly reports of security transactions for their personal accounts, as well as confirm the current list of brokerage accounts. Chiron reviews various reports on a periodic basis to monitor personal trading by access persons and may request additional information from access persons in order to assure proper administration of the Code's personal trading rules.

Any person covered by the Code who fails to observe the Code and other relevant compliance policies may experience serious sanctions, including dismissal and personal liability.

### **Personal Trading Conflicts of Interest**

Chiron faces potential conflicts of interest with respect to personal securities trading. The Code seeks to ensure that personal securities transactions, activities and interests of access persons will not interfere with making decisions in the best interest of clients and implementing such decisions while, at the same time, allowing access persons to invest for their own accounts where appropriate. While access persons and their household members may invest in securities that may also be purchased or held by client accounts, they must pre-clear all transactions involving a security covered under the Code. Subject to noted exceptions, clearance will not be granted if the personal transaction is in close proximity to client trading activity. In addition, access persons must generally send duplicates of all trade confirmations, account statements and other brokerage account reports to Chiron for review. Under the Code, certain classes of securities (e.g., mutual funds, money market funds) have been designated as exempt transactions, based upon a determination that these transactions would not materially interfere with clients' best interests. Because the Code, in some circumstances, permits access persons to invest in or hold the same securities as clients, there is still a possibility that access persons might benefit from market activity by a client in a security held by an access person.



Chiron's access persons may take action for their own accounts that may differ from, conflict with or be adverse to advice given or actions taken for clients. Potential conflicts also may arise due to the fact that Chiron and its personnel may have investments in some Funds but not in others or may have different levels of investments in the various Funds.

### **Employee Investments**

Chiron encourages its employees to invest in the Funds offered to clients, as appropriate. These investments pose a risk that employees with influence over investment decisions will favor the Funds in which they have a personal interest. Although Chiron employees may own or have a significant position or percentage interest in Chiron-managed Funds or accounts, the Code's restrictions and prohibitions on securities transactions, such as pre-clearance, do not apply to those Funds or accounts. However, such accounts are subject to Chiron's investment allocation policy, which seeks to ensure, among other things, that such funds or accounts are not unduly favored by Chiron. See Item 12- *Brokerage Practices* for additional information.

### **Material Non-Public Information**

Chiron's investment personnel, in the course of research and other related activities, may from time to time acquire confidential or material, non-public information that may prevent Chiron from purchasing or selling particular securities for certain clients. As a result, certain clients could realize a positive or negative impact to overall performance. Chiron maintains policies and procedures for handling material, non-public information.

## **ITEM 12: BROKERAGE PRACTICES**

### **A. Broker Selection**

Chiron has discretion to choose brokers and maintains an approved broker list. Chiron aims to structure its broker relationships to include broker-dealers whose research services, execution abilities or other appropriate services are particularly helpful in seeking favorable investment results. As part of this determination, Chiron recognizes that some brokerage firms are better at executing some types of orders than others. Thus, it may be in the best interests of clients for Chiron to select a broker whose commissions rates are not the lowest but whose abilities may result in lower overall transactions costs or more favorable results. While the relationships with broker-dealers are dynamic in nature, they are reviewed on an as-needed basis, and, at a minimum, on a quarterly basis. The evaluation includes a review of trade execution, settlement performance and research services available from each broker.

Chiron generally negotiates and sets ranges for commission rates with broker-dealers, when appropriate. However, Chiron will not select broker-dealers solely based on 'posted' commission schedules nor always seek in advance competitive bidding for the most favorable rate applicable to a particular transaction. Although Chiron generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Chiron believes that paying fair and reasonable commissions to broker-dealers in return for quality execution services and useful research benefits its clients. Moreover, transactions that involve specialized services on the part of the broker-dealer will usually result in higher commissions or other compensation to the broker-dealer than would be the case absent such services for more routine transactions. Specialized services vary by trade, but often include assistance in the execution of a trade.

In Chiron's view, the reasonableness of commissions is based on market conditions and Chiron's opinion of the broker's ability to provide overall execution. In making the determination as to which broker to

use for client transactions, Chiron considers professional services, competitive commission rates, useful research and other permissible services which will help Chiron in providing investment advisory services to its clients. Recognizing the value of these factors, Chiron may select a broker who provides such services and charges clients a commission in excess of that which another broker, which offers no research services and minimal transaction assistance (i.e., execution-only service) might have charged for effecting the same transaction.

Over-the-counter (OTC) derivative arrangements are entered into with a bank or broker-dealer acting as a principal counterparty. These OTC arrangements are entered into on behalf of Chiron's clients with only a small number of approved counterparties. Chiron cannot guarantee that these OTC counterparties will be able to meet their financial obligations. However, Chiron seeks to mitigate this risk by entering into bilateral credit support arrangements with the counterparties, which require the posting of collateral to cover losses that could result from a counterparty failure.

### **Best Execution**

Chiron seeks to obtain best execution on all client trades for which it exercises brokerage discretion through the use of select brokers, dealers or other trading venues (collectively, Brokers) and by negotiating brokerage commissions and other transaction costs. Chiron considers best execution as the combination of best net price and execution under the circumstances. In considering execution, Chiron may take into account not only the available prices and commission rates, but also a variety of other factors, including but not limited to, the liquidity and activity expected in the market for a particular security, the size and timing of the transaction and the difficulty of its execution, the nature of the security, a Broker's operational and execution capacities (including its commitment of capital and its trading infrastructure), its financial responsibility and responsiveness, its ability to reduce market impact, access to underwritten offerings, secondary markets and over-the-counter investment opportunities, the availability of bonds or stocks to borrow for short sales, the value of research services provided by a Broker which is expected to enhance Chiron's portfolio management capabilities and other factors, without having to demonstrate that such factors are of direct benefit to any particular client. For example, a Broker being able to use its own capital to complete a trade would be expected to charge a higher commission rate. Chiron does not use any affiliated brokers to execute trades on behalf of its clients.

As permitted by Section 28(e) of the Securities Exchange Act of 1934, or Safe Harbor, Chiron, in its discretion, may cause a client to pay a commission for effecting a transaction in excess of the amount or rate another Broker would have charged for effecting that same transaction. In such instances, Chiron has concluded, in good faith, that the commission paid is reasonable in relation to the quality of execution considering, also, the value of any research services or products provided by the Broker. Such research services or products may be used for clients other than the client who generated the 'soft dollars' under the Safe Harbor.

When purchasing or selling fixed income securities or other securities traded on the OTC market, Chiron may purchase directly from the issuer or from a Broker engaged in making a market in such securities. There is generally no stated commission in the case of securities traded in the OTC markets, but the price generally includes an undisclosed dealer mark-up. Securities also may be purchased from underwriters at prices that include underwriting fees.

In appropriate circumstances, Chiron may transmit orders to Electronic Communications Networks (ECNs) and Alternative Trading Systems (ATSs) to execute purchase and sales of securities when, in the opinion of Chiron, the use of an ECN or ATS may result in equally or more favorable overall execution quality as well as anonymity for a transaction.



Certain of the markets in which Chiron trades on behalf of client accounts are 'emerging markets' where there is limited or no choice of brokers, where commission rates (or commission equivalents) may be fixed or heavily regulated or where there may not be the same level of transparency as to execution costs and quality, as is the case in more developed markets such as the U.S., Canada or European Union countries. In those cases, Chiron may be limited in its ability to negotiate costs or terms but will seek, as practicable and consistent with relevant market regulations and conventions, to obtain the most favorable terms reasonably available under the circumstances and to minimize costs, consistent with achieving the desired investment objective and seeking an acceptable quality of execution. Where there is a lack of choice or transparency as to execution related costs and expenses, Chiron may focus primarily on securities prices and certainty of execution in determining how to execute a trade in examining its efforts to seek best execution in the relevant market. In such cases, Chiron may, in its discretion, limit additional purchases, dispose of existing holdings or refrain from exercising certain rights, as it deems appropriate.

### **Investment Research and Use of Soft Dollars**

Consistent with its policy of seeking best execution, Chiron may consider the research and brokerage services provided by various Brokers, including the reputation and quality of their analyses, investment ideas and market and financial data and other information. These research and statistical services may consist of research reports or verbal advice from the Brokers regarding particular companies, industries or general economic conditions. Included as a part of these services may be informational meetings, interviews and seminars arranged by a Broker between Chiron analysts and brokerage analysts or executive of companies in which Chiron clients have invested or may invest in the future.

Research services used by Chiron means advice, analyses, information and reports about securities that provide lawful and appropriate assistance to the investment manager in the performance of its investment decision making responsibilities and that reflect the expression of reasoning or knowledge. Brokerage services means those services that relate to the execution of a trade from the point at which the investment manager communicates with the Broker for the purpose of transmitting an order for execution through the point at which cash or securities are delivered or credited to the client account.

Chiron may receive and pay for research services in a variety of ways. Brokers, for example, may provide proprietary products or services directly. Chiron may also arrange for a Broker to allocate a portion of commissions to an account of commission credits, soft dollars, maintained by a third-party aggregator via Commission Sharing Agreements (CSAs) which Chiron has in place with various Brokers. At Chiron's request, the third-party aggregator will pay for research services, including market data services, which are provided to Chiron. CSAs may help Chiron select the most appropriate Broker for trade execution regardless of whether or not such Broker prepares or develops the research services used by Chiron. In addition, Chiron may pay directly, via the CSAs, for research services provided by firms that are not Brokers.

When an investment adviser pays more than the lowest available commission in recognition of the receipt of soft dollar services, the investment adviser is said to be 'paying up.' Under SEC interpretations, soft dollars may be used for, among other things, eligible soft dollar services which assist Chiron in meeting its clients' investment objectives and Chiron's relevant responsibilities to its client accounts. The receipt of soft dollar services in exchange for 'soft dollars' benefits Chiron by, among other things, allowing Chiron, at no cost to it, to supplement its own research, analysis and execution facilities, to receive the views and information of individuals and research staffs at other securities firms and those of issuer personnel and to gain access to persons having special expertise on certain companies, industries, economic areas and market factors. This may relieve Chiron of expenses that it might otherwise bear in obtaining the same or comparable services on its own.

In determining whether to pay up for a relevant execution, Chiron evaluates whether the soft dollar service(s) provided by the Broker:

- Consist of advice, analyses or reports containing substantive content with respect to appropriate subject matters, as set forth in the Safe Harbor and related SEC interpretations thereof, or are sufficiently related to effectuation, clearance or settlement of a transaction and are provided and/or used during the time period commencing when Chiron communicates with the relevant Broker for the purpose of transmitting an order for execution and concluding when the funds or securities are delivered or credited to the client account or its agent;
- Provide lawful and appropriate assistance to Chiron in carrying out its relevant responsibilities to its client accounts; and
- Are acquired for an amount of soft dollars that is reasonable in relation to the value of the soft dollar service(s) provided.

These determinations are based primarily on the professional opinions of the persons responsible for the placement and review of such transactions. These opinions are formed based on, among other things, the experience of these individuals in the securities industry and information available to them concerning the level of commissions paid by other investors of comparable size and type. Chiron may select Brokers based on its assessment of their ability to provide quality execution and its belief that the research, information and other soft dollar services provided by such Brokers may benefit its clients. It is often not possible to place, with precision, a dollar value on the quality of executions or on the soft dollar services Chiron receives from Brokers effecting transactions in portfolio securities. Accordingly, as discussed above, Brokers selected by Chiron may be paid commissions for effecting portfolio transactions for client accounts in excess of amounts other Brokers may have charged for effecting similar transactions; this may occur when Chiron determines, in good faith, that such amounts are reasonable in relation to the value of the soft dollar services, or superior qualitative executions, provided by those Brokers when viewed either in terms of a particular transaction or Chiron's overall duty to its clients.

Research services furnished by Brokers through which Chiron may effect securities transactions for a particular account may be used by Chiron in servicing other discretionary accounts. Chiron does not attempt to allocate soft dollars to client accounts in proportion to the soft dollar credits generated by specific accounts. As a result, research services may not be used by or for the benefit of the client who paid the brokerage commission.

Chiron may use soft dollars to obtain a research or brokerage product or service which has a 'mixed-use', such as a trade order management system and related terminals. Where a product or service has a mixed use, and only part of the use falls within the scope of Section 28(e), Chiron will make a reasonable allocation of the cost of the product or service according to its use. Only the percentage of the product or service that is within the scope of Section 28(e) will be paid for with soft dollars. Chiron will maintain all books and records regarding any mixed-use allocation.

### **Conflicts of Interest**

Chiron faces a number of potential conflicts of interest in its best execution obligations. Chiron may select and use Brokers that also have other business with Chiron. In addition, when Chiron uses client brokerage commissions to obtain research services, it receives a benefit because it does not need to produce or pay for those services itself. Chiron may have an incentive to select a Broker based on its interest in receiving research or brokerage services, rather than on its clients' interests in receiving the most favorable execution, and to trade frequently to generate commissions that can be used to pay for those services. Chiron's Investment and Operating Committees, which oversee Chiron's trading, seek to mitigate these potential conflicts,

Chiron accepts responsibility for trade errors that are its responsibility, but not the errors of clients, Brokers, accounting/back-office agents or custodians. Ultimately, it is Chiron that decides whether an incident is an error that requires compensation by Chiron, which creates a conflict of interest. Chiron has implemented a written trade error policy to manage conflicts concerning trade errors and ensure that errors are corrected in a fair and timely manner. It is Chiron's policy to reimburse clients for losses realized as a result of a deemed trade error. Reimbursement will not include any amounts that Chiron determines are speculative or uncertain, including potential opportunity costs resulting from delayed investment or sale as a result of correcting an error or other forms of consequential or indirect losses.

### **Brokerage for Investment Company Sales Prohibited**

In accordance with Rule 12b-1(h) of the 1940 Act, Chiron may not consider in its best execution analysis the fact that a Broker has sold securities of an SEC-registered investment company managed by Chiron. Chiron may not compensate a Broker for any promotion or sale of shares of an SEC-registered investment company managed by Chiron by directing client transactions to the Broker or by paying higher remuneration to that Broker, including but not limited to any higher commission, mark-up, mark-down or other fee (or portion thereof). In particular, commissions may not be allocated to a Broker in return for sale of the registered investment companies managed by Chiron, for "shelf space" for the Funds, for exposure of Funds to the Broker's sales force or clients, or for any other arrangement that is designed to support or promote the Broker's sales of Fund shares.

### **B. Order Allocation and Aggregation**

Chiron's portfolio managers make investment decisions for accounts based on suitability factors and other circumstances which may differ from account to account and may result in a particular security being requested for some accounts and not others. In accordance with Chiron's allocation policy, portfolio managers seek to allocate suitable transactions among eligible accounts in a manner believed to be fair and equitable to each account, either with respect to a given transaction or considering all transactions over time.

This policy is intended to promote fairness and to mitigate potential conflicts of interest, and to conform to applicable regulatory principles. The policy strictly prohibits any allocation request or allocation decision that favors one account over another based on the self-interest of the account's portfolio manager or Chiron. In appropriate circumstances, any account managed by Chiron may purchase or sell a security prior to other accounts or at times when other accounts are not trading in the security. This could occur, for example, as a result of specific investment objectives of an account, different cash resources arising from contribution or withdrawals or specific, client-imposed restrictions. However, accounts that are managed in similar styles by the same portfolio manager(s) often have similar or identical portfolio composition and weightings.

Aggregation, or "bunching" of trade orders, occurs when an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower execution costs. Chiron may, but is not required to, aggregate trades where aggregation is practicable and is believed to be in the clients' best interests. When consistent with each participating client's interest, Chiron may aggregate orders for more than one account to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution or reducing overall commission charges. Chiron seeks to aggregate orders in a manner that is consistent with its duties to seek best execution, treat all clients fairly and equitably over time and not systematically advantage any single client or group of clients over time. When a decision is made to aggregate transactions on behalf of more than one account, such transactions will be allocated to all participating client accounts in a fair and

equitable manner. When an order is filled in its entirety, each participating client account will receive the average share price for the aggregated order and transaction costs will be shared pro rata based on each client's participation in the order. When an aggregated order is partially filled, Chiron will allocate the trades in accordance with the procedures described below.

If an order on behalf of more than one account cannot be fully executed under prevailing market conditions, Chiron, acting through a Broker, may allocate the trade among the different accounts on a basis that it considers equitable including pro rata based on the order size of each participating client. Such allocations are subject to rounding to achieve 'round lots' and Chiron's ability to cancel or modify an order for one or more client account if Chiron believes that, as a result of the incomplete fill, the order is no longer appropriate for such account(s). Chiron may apply a minimum order allocation amount, which may vary based on market convention associated with the particular security. Where remaining positions are too small to satisfy the minimum allocation amount, Chiron may decide to allocate the remaining shares to those accounts seeking large positions which remain unfilled or to allocate remaining shares to those accounts whose order would be completed as a result of the allocation.

Chiron may allocate on a basis other than pro rata if, under the circumstances, such other method is reasonable and equitable, does not result in improper or undisclosed advantage or disadvantage to a particular account or group of accounts and results in fair access, over time, to trading opportunities for all eligible accounts. For example, Chiron may identify investment opportunities that are more appropriate for certain accounts than others and may determine to allocate a partial fill to such accounts. Factors which Chiron may consider in making allocation decisions include, among others: investment objectives and restrictions, cash availability and changes in cash flows, including current or anticipated redemptions, exchanges and capital contributions/withdrawals. Other allocations which may be used by Chiron include random and rotational allocation. Such allocation methods may be particularly appropriate when the transaction size is too limited to be effectively allocated pro rata among all eligible accounts.

Securities offered in initial public offerings, or IPOs, are usually available in limited supply and in amounts too small to permit across-the-board pro rata allocations. In addition, Chiron often does not know the number of shares it will be allocated as a whole until after the order is placed. Chiron has adopted procedures designed to ensure fair and equitable allocation of IPOs among its clients, over time. Under these procedures, IPOs are generally allocated pro rata based on the total relative assets of each participating account, subject to adjustments for de minimis allocations and round lots. Accounts for which an IPO is more suitable may receive greater allocations than accounts with less suitable investment strategies. An IPO may be allocated on a basis other than total assets for good cause if all clients receive fair and equitable treatment. For example, shares otherwise allocable to an account based on a pro rata allocation may be reduced or eliminated to accommodate cash availability, position limitation and investment restrictions.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **A. Reviews**

The portfolio management team for a particular investment strategy is responsible for the daily management and monitoring of client accounts. As part of that oversight, the portfolio management team monitors cash balances in client accounts on a daily basis. Depending on the frequency of trading activity, dispersion among client account holdings is reviewed periodically. Client specific investment guidelines are monitored on an ongoing basis by the portfolio management team and by Compliance to ensure adherence to client, regulatory and internal guidelines. All new trade orders for accounts are instructed by the portfolio management team and created in the Order Management System (OMS). The

trades are cleared through the OMS Compliance module before being electronically routed for execution. If a trade is not cleared through the Compliance module, that will trigger a review of the proposed transaction. This system is a tool used to assist the portfolio managers, traders and compliance personnel with monitoring of investment restrictions and limitations.

A review of a client account may be triggered by unusual activity in the account, contributions or distributions from an account, changes in guidelines or account investment objectives agreed to by Chiron, or other special circumstances. Client accounts will be reviewed periodically to ensure compliance with the appropriate list of guidelines, restrictions and investment parameters.

## **Regular Reports**

Funds advised by Chiron will receive reports and commentaries from Chiron at least quarterly, or as may be negotiated. Chiron may provide certain clients or investors with additional information, such as transaction summaries, gain/loss reports or commission reports, if agreed to by Chiron.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. Industry Sources**

Chiron may subscribe to certain data and research services provided by firms that may also serve as consultants to clients or potential clients. These subscriptions provide access to industry data, research analytics, performance measurement and peer comparisons and may include Chiron in databases available to other subscribers or users. Chiron does not seek and does not receive referrals for advisory services from these organizations as a result of subscribing to such services, although it is possible that Chiron may be contacted by other subscribers or users concerning its advisory services.

Chiron may pay to attend or sponsor conferences organized by an investment consultant. To avoid potential conflicts of interest, individuals or entities that have been referred to Chiron by an investment consultant should request that the consultant disclose any pre-existing or former relationships with Chiron, or any of its affiliates, and any potential conflicts of interest in connection with the referral. Additionally, Chiron should be notified of any conflicts of interest disclosed by the consultant.

### **B. Client Referrals**

Chiron is a party to one Referral Agreement with an unaffiliated party for referrals of investment advisory business, specifically focused on non-U.S. shareholders for Chiron's UCITs fund, Chiron Funds ICAV-Chiron Global Opportunities Fund. Such agreements to compensate another firm ("Solicitor") for referring investment management services are typically subject to the Solicitor Rule, Rule 206(4)-3 under the Advisers Act; however, due to the limited nature of the Referral Agreement currently in place (only referring potential shareholders in Chiron's UCITs fund), the Solicitor Rule is not applicable. Chiron will pay a Solicitor a percentage of the investment management fee it collects from referred clients.

## **ITEM 15: CUSTODY**

Chiron does not retain custody of client funds or securities/instruments.

## **ITEM 16: INVESTMENT DISCRETION**

### **A. Discretionary Authority for Trading**

Chiron accepts discretionary authority to manage securities accounts on behalf of clients. This authority is identified and provided for in the written Investment Management Agreement entered into between Chiron and each client. By signing Chiron's Investment Management Agreement, clients authorize Chiron to exercise full discretionary authority with respect to all investment transactions involving the client's account. The Investment Management Agreement grants Chiron full discretion and sole authority to invest and reinvest all assets of the client's account in those securities, cash and/or other financial instruments in accordance with the client's stated investment guidelines and objectives and in accordance with Chiron's investment strategy utilized for the account (unless otherwise stated and agreed to by Chiron and the client). Chiron has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

Certain investments may require the execution of specialized documentation associated with a particular trade and the opening of accounts with brokerage, execution and/or clearing firms. For example, swap contracts are typically governed by ISDA Master Agreements, Schedules, Confirmations and, where applicable, Credit Support Annexes that Chiron may negotiate and/or enter into on behalf of an account. Other agreements that may be necessary in connection with these and similar transactions include futures agreements, option agreements and repurchase agreements. Chiron is authorized to enter into agreements and execute any documents required to effect transactions in the client's account and is further authorized to give instructions to third parties in furtherance of such authority. Chiron seeks to negotiate the most favorable terms practicably available under the circumstances but cannot guarantee that the most favorable terms will be achieved in each instance.

### **B. Claims on Behalf of Clients**

Chiron's acceptance of investment discretion does not normally extend to litigation and legal proceedings. Accordingly, Chiron will not initiate lawsuits on behalf of clients. For class actions, clients should arrange for their custodian to prepare and file proofs of claim. Chiron will provide reasonable assistance in the preparation of any proof of claim for client accounts but shall not provide any legal advice in connection with class actions. Similarly, Chiron will not be expected or required to take any action with respect to bankruptcy actions involving securities presently or formerly held in client accounts.

## **ITEM 17: VOTING CLIENT SECURITIES**

### **A. Proxy Votes**

Unless the client designates otherwise, Chiron votes proxies for securities over which it maintains discretionary authority consistent with its Proxy Voting Policy. Chiron's proxy voting policies and procedures provide that Chiron typically will vote proxies in accordance with the recommendations made by Institutional Shareholder Services (ISS), and in the best interest of clients. However, because ISS' guidelines do not address all potential voting issues, and because there may be instances where Chiron disagrees with ISS' recommendations, there may be instances where Chiron may not vote strictly according to the ISS guidelines. In such a case, Chiron portfolio managers will instruct ISS to exercise a different vote. The ISS proxy voting guidelines utilized by Chiron are available upon request.

In situations where Chiron's interests conflict, or appear to conflict, with client interests, the Investment Committee will take one of the following steps to resolve the conflict: (i) vote the securities in accordance with a pre-determined policy based upon the recommendations of an independent third party, such as ISS;



(ii) refer the proxy to the client or to a fiduciary of the client for voting purposes; (iii) vote the securities in accordance with the best interest of the clients, as determined in good faith by the Committee, without consideration of any benefit to Chiron or its affiliates; or (iv) ask its Investment Committee to determine the nature and materiality of the conflict and vote the proxy in a manner the Committee believes is in the best interests of the client (or, in the case of a Fund, the Fund's shareholders) without consideration of any benefit to Chiron or its affiliates.

Chiron will review each relationship identified as having a potential conflict based on the individual facts and circumstances. For purposes of this review, Chiron will attempt to detect those relationships deemed material based on the reasonable likelihood that they would be viewed as important by the average shareholder.

Chiron is aware of its responsibility to process proxies and maintain proxy records pursuant to SEC rules and regulations and its fiduciary duty to vote proxies based on decisions that may affect the value of shareholdings and certainly intends to vote proxies, but clients should be aware that there might be circumstances under which voting might be impossible or impracticable. In accordance with client agreements and Chiron's Proxy Voting Policy, Chiron will attempt to vote every proxy it receives for all domestic and foreign corporations, but shall not be responsible for voting any proxies that have record dates prior to the date of an underlying agreement or on or after the date of any termination of an agreement or for monitoring and voting proxies for securities that are out on loan due to a client's securities lending program when such securities lending program is independent of Chiron. Also, voting proxies with respect to shares of foreign securities may be significantly more difficult than with respect to domestic securities. In consideration thereof, Chiron may be unable or may decide not to vote certain proxies for foreign issuers.

Any client, trustee or any client plan or their authorized representative may receive a copy of Chiron's Proxy Voting Policy or proxy voting records voted on their behalf by sending a written request to Chiron at the address provided in this Brochure or via email at [Chiron.Compliance@fsinvestments.com](mailto:Chiron.Compliance@fsinvestments.com).

## **ITEM 18: FINANCIAL INFORMATION**

### **A. Financial Condition**

Chiron does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Chiron does not serve as a custodian for client funds or securities and does not require pre-payment of fees of more than \$1,200 per client, and six months or more in advance.