

**Item 1  
Cover Page**

Form ADV Part 2A

**Firm Disclosure Brochure**

March 27, 2020

**Churchill Investment Management LLC**

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Churchill Investment Management LLC and certain of its affiliates (collectively, “Churchill” or the “Firm”) for purposes of Form ADV. If you have any questions about the contents of this Brochure, please contact us at the number listed above. 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. From time to time in this and other documents Churchill may refer to itself as a “registered investment adviser” by virtue of its registration with the SEC. This title does not imply any level of training or skill. Additional information about Churchill is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2**  
**Material Changes**

Churchill had no material updates since its initial application with the Securities and Exchange Commission.

**Item 3**  
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#### **Item 4** **Advisory Business**

**A.** Churchill is a Delaware Limited Liability Company formed in 2018. The Firm is a private real estate investment firm which aims to capitalize on real estate debt, equity, and distressed opportunities. The Firm is wholly owned by Churchill Finance LLC.

**B.** Churchill focuses on the residential real estate market by investing in real estate related securities and investments in both credit and equity transactions. The Firm aims to leverage the collective expertise of its team members and utilizes proprietary sourcing networks to generate “off the run”, non-broadly marketed, investment opportunities. Churchill also aims to capitalize on bespoke, point-in-time opportunities throughout real estate market cycles with primary focus on downside protection while optimizing risk adjusted returns. Churchill’s residential strategy focuses on the following two market segments and opportunities:

*Specialty Finance-* focuses on residential real estate with direct origination capabilities providing a complete lending, asset management and loan servicing platform to investors.

*Commercial Real Estate-* focuses on providing investors with opportunistic and unique real estate investments in major gateway cities with seemingly down-side protection while seeking to optimize returns in a risk-mitigated fashion.

Churchill offers its advisory services through privately offered investment funds (“Funds”), co-investment vehicles (“Co-Investments”) and separately managed accounts (“SMAs”). Herein, all references to Funds, Co-Investments and SMAs are collectively referred to as the “Clients”. Each Fund and Co-Investment is subject to the investment objectives, terms and conditions outlined in offering documentation specific to each Fund/Co-Investment, which includes but is not limited to subscription agreements, limited partnership/operating agreements and investment management agreements. Each SMA is subject to the investment objectives, terms and conditions set forth in the applicable investment advisory agreement. Collectively, the investment advisory agreements and offering documents are referred to herein as the “Governing Documents.”

While Churchill focuses on the asset classes and strategies discussed throughout this Brochure, the Firm does not necessarily limit the types of investments on which it advises.

**C.** To the extent agreed upon in the Governing Documents, Churchill tailors its investment advisory services to be consistent with each Client’s investment strategy, return profile, concentration limits, time horizon, liquidity mandates and other related objectives, as defined therein. The Firm may permit Clients to impose reasonable restrictions on investing in certain securities or types of securities.

**D.** Churchill does not participate as a sponsor of or portfolio manager to any wrap fee programs.

**E.** As of December 31, 2019, the Firm managed approximately \$385,000,000 of regulatory assets under management on a discretionary basis. Churchill also manages non-securitized assets which do not count toward the Firm’s regulatory assets under management.

## **Item 5**

### **Fees and Compensation**

**A.** As compensation for its services, Churchill will receive an annual management fee (the “Management Fee”) based on a fixed rate or percentage of a Client’s committed capital or invested capital. Typically, the Management Fee will equal the sum of two percent of invested capital and one percent of committed and uninvested capital, payable on a quarterly basis. The Firm and/or certain of its affiliates will also receive performance-based compensation (the “Performance Allocation”) based on realized gains from investments, subject to agreed-upon high water marks.

SMAs will be subject to an annual asset based fee which will typically be prorated and charged on a monthly or quarterly basis, in advance or arrears, as negotiated on a case by case basis with the individual investor. Depending on the relationship, this fee may be separate and in addition to the fee charged by Churchill or inclusive of the fee charged by Firm. Churchill may remit a portion of the fee back to the primary firm on a fully-disclosed basis.

**B.** The Firm receives the Management Fee directly from the Clients on a monthly or quarterly basis. The calculation of the Management Fee is derived from the most recent valuation of the portfolio, as determined by the Firm, general partner or other responsible party. An Performance Allocation is typically deducted directly from a Fund’s assets as investments realize gains and not on a pre-determined schedule.

**C.** Churchill and the Funds generally bear their own expenses. Expenses are allocated on a case by case basis in accordance with the Funds’ Governing Documents. Expenses the Funds may incur generally include but are not limited to: (i) all expenses incurred in connection with the organization of the Fund and the offer and sale of interests, including but not limited to, documentation of performance and the admission of limited partners, (ii) all organizational and operating expenses of the Fund such as tax preparation fees, governmental filing fees (including blue sky filing fees) and taxes, administrator fees, management fees, communications with Limited Partners and ongoing legal, accounting, auditing, bookkeeping, consulting and other professional fees and expenses, (iii) all of the Fund’s investing costs and expenses (e.g., brokerage commissions, margin interest, expenses related to short sales, custodial fees and clearing and settlement charges, information services and subscriptions, and cloud data and computation services (e.g., Bloomberg, Amazon Cloud data storage); as well as all fees and expenses incurred during the investigation, acquisition, securitization, management and disposition of assets (these expenses will include but not be limited to appraisals, due diligence and research expense including subscriptions and data services and research related travel, third party valuation agents, property and loan management, loan servicing, legal, financial accounting, leasing and property brokerage, (iv) professional and other advisory and consulting expenses and travel expenses incurred in connection with investment due diligence, monitoring or the assertion of rights or pursuit of remedies (including but not limited to, pursuant to bankruptcy, foreclosure or other legal proceedings, or participation in informal committees of creditors or other security holders of an issuer), (v) all fees and other expenses incurred in connection with the investigation, prosecution or defense of any claims by or against the Fund, (vi) fees and expenses related to insurance (including D&O and E&O insurance) and insurance premiums; and (vii) all fees, organizational and operating expenses of any parallel Fund. Unless otherwise disclosed, these fees will generally be offset in their entirety against the Management Fee paid by the applicable Fund. Each Fund’s Governing Documents provide a more detailed description of the expenses borne by the Fund.

**D.** Typically, the Management Fee is paid quarterly in advance. The Performance Allocation is paid in arrears upon the disposition of a portfolio asset.

**E.** Except as otherwise disclosed, neither the Firm nor any of its supervised persons receive, directly or indirectly, any compensation from the sale of securities or other investment products.

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

As outlined in Item 5 of this Brochure, Churchill and/or its related persons are generally entitled to receive an Performance Allocation based on investment gains after other distributions are made to the general and limited partners, as specified in the Governing Documents. The Performance Allocation and other performance-based compensation may motivate the Firm to make investments that are riskier or more speculative than those which would be made under a different compensation arrangement. In addition, the recipients may have an incentive to favor Clients that they believe will pay a higher Performance Allocation or other incentive-based compensation. However, the Firm is committed to acting at all times in the best interests of its Clients. To this end, the Firm has implemented internal controls, which are further described in the Firm's compliance policies and procedures, to address the potential conflicts associated with performance-based fees.

**Item 7**  
**Types of Clients**

The Firm provides investment advisory services to institutions, family offices, high net worth individuals and pooled investment vehicles that are excepted from the definition of investment company under the Investment Company Act of 1940. In general, the Firm requires a minimum capital commitment of at least \$1 million.



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

**A.** Churchill seeks to produce superior risk-adjusted total returns by focusing on investing in real estate related securities and investments in both credit and equity transactions. Its credit strategy is to originate, acquire, structure and trade high-yielding residential real estate loans and/or residential real estate loans that are distressed. In addition, the Firm will pursue its equity strategy through the acquisition of fundamentally sound real estate assets from distressed or long-term owners, as well as the acquisition and development of other real estate opportunities. Clients may utilize leverage, securitization and other financing mechanisms to achieve higher absolute returns for investors.

The Firm strives to manage risk throughout the entire investment lifecycle, beginning with sourcing and continuing all the way to investment disposition. It is Churchill's objective to select opportunistic investments with favorable risk/return ratios and seeks to capitalize on non-congested real estate segments and market dislocations. The Firm continuously monitors performance of all assets in an effort to ensure risk-adjusted returns are optimized.

The Firm, through its speciality finance platform, also strives to provide access to residential real estate investors, developers and operators with good credit and strong track record, yet not large enough to garner large bank or other financial institutional participation.

**B. and C.**

No guarantee or representation is made that the Firm's investment strategy will be successful. As noted in each Client's Governing Document, there are risks inherent to the Firm's investment strategy including, but not limited to those listed below. The Governing Documents generally contain a more comprehensive explanation of the relevant risk factors, including those related to Churchill's investment strategy and investment partnerships generally. Investors are provided with the Governing Documents prior to investment with Churchill and should carefully consider the risks. An investment in the Fund involves significant risks not associated with other investment vehicles and is suitable only for persons of adequate financial means who have no need for liquidity in this investment. A prospective investor should therefore bear in mind the following risk factors and conflicts of interest before purchasing an interest:

***Inherent Risks.*** An investment in the Fund should be viewed as a speculative investment. It is not intended as a complete investment program and is designed only for investors who have adequate means of providing for their needs and contingencies without relying on distributions or withdrawals from the Fund, who are financially able to maintain their investment and who can afford the loss of their entire investment. There can be no assurance that the Fund will achieve its investment objectives. All potential investors in the Fund should understand the investment approaches and techniques that is expected to be used in the management of the Fund and the particular risks associated with those approaches and techniques.

***Competition.*** The investment, real estate, and asset management industries are intensely competitive, and the Fund will compete with a number of private equity funds, specialized investment funds, hedge funds, corporate buyers, traditional asset managers, commercial banks, investment banks and other financial institutions. A number of these competitors will have access to more financial resources, research staff and personnel than the Firm, lower costs of capital than the Fund, and access to funding sources that are not available to the Fund. Several of these competitors may raise significant amounts of capital, which may create additional competition for investment opportunities. Some of these competitors may have higher risk tolerances, different risk

assessments or lower return thresholds, which could allow them to consider a wider variety of investments and to bid more aggressively than the Fund for investments. This competitive pressure could adversely affect the Fund's ability to make successful investments.

***Fund's Investment Activities.*** The Fund's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Firm. Such factors include a wide range of economic, political, competitive and other conditions (including acts of terrorism or war) that may affect investments in general or specific industries or companies. As a result of the nature of the Fund's investing activities, it is possible that the Fund's financial performance may fluctuate substantially from time to time.

***Real Estate Risks Generally.*** The Fund may invest in real property and real estate-related investments including debt secured by real estate assets. Accordingly, the Fund investments may be subject to the risks associated with the real estate industry generally and risks incident to the ownership of real estate, including risks associated with changes in the general economic climate, changes in the overall real estate market, local real estate conditions, adverse changes in the financial conditions of homeowners, buyers and sellers of properties, and tenants of properties, real estate tax rates and other operating expenses, environmental laws and regulations, zoning laws, supply of or demand for competing properties in an area, accelerated construction activity, technological innovations that may dramatically alter space requirements, the availability of financing, changes in interest rates, competition based on rental rates, energy and supply shortages, various uninsured and uninsurable risks and law and government regulations, including federal and state environmental laws, regulations and administrative rulings which, among other things, establish standards for the treatment, storage and disposal of solid and hazardous waste, and the imposition of joint and several liability on past and present owners of real property for hazardous substance remediation and removal costs, zoning laws and transfer taxes. An investment in the Fund requires the financial ability and willingness to accept significant risk and illiquidity.

***Residential Real Estate Investments Generally.*** The Fund may invest from time to time in residential development projects and financing opportunities relating to residential real estate assets, which subjects the Fund to particular economic and operating risks. These risks relate to supply of and demand for living space in the local market, wage and job growth in the local market, availability of mortgage financing and homeownership affordability, tenant quality, the physical attributes of the building in relation to competing buildings (e.g., age, condition, design, appearance, amenities and location), and access to transportation, among other factors.

Investments in financing residential assets, such as mortgage loans (including loans that may be in default), involve additional risks. If a residential mortgage loan is in default, foreclosure of the mortgage loan can be a lengthy and expensive process. The ultimate disposition of a foreclosed asset may yield a price insufficient to cover the cost of the foreclosure process and the balance attached to the defaulted mortgage loan. In addition, politicians, regulators, journalists, housing advocates and others have been critical of private investment firms such as the Firm that have made investments in residential mortgage loans and, in some cases, led protests and social media campaigns. Such opposition could cause the Fund to forego investment opportunities and subject the Fund to new legislation, litigation and changes in regulatory oversight.

***Impact of Market Conditions on Real Estate Generally.*** The real estate markets in which the Fund expects to operate are also affected by a number of specific conditions, such as planning, environmental, leasing, tax and other real estate-related laws and regulations, prevailing rental rates, prospective rental growth, occupancy rates, lease lengths, tenant creditworthiness and solvency, and other conditions in the financial and credit markets that impact real estate assets. Adverse general economic and market conditions, such as those that prevailed during the most recent global economic downturn, could have a material adverse effect on residential real estate assets, including by decreasing demand for residential real estate, decreasing occupancy rates for multifamily properties, causing tenants to terminate leases early or asset owners to sell at distressed prices or

enter bankruptcy proceedings, and decreasing the value of real estate assets generally. Declines in rental income on real estate as a result of negative market conditions would not necessarily be accompanied by a decline in significant expenses associated with holding real estate, such as real estate taxes, utility rates, insurance rates, and renovation and maintenance costs. This mismatch would accentuate the impact of a negative market event.

***Risks of Environmental Liabilities.*** Under various federal, state and local laws, ordinances, and regulations, an owner or operator of real property may become liable for the costs of removal or remediation of certain hazardous substances and other environmental pollutants (including, without limitation, petroleum products, asbestos, and polychlorinated biphenyls) released on, about, under, or in its property. Environmental laws often impose this liability without regard to whether the owner or operator knew of, or was responsible for, the release of hazardous substances or other environmental pollutants. The presence of hazardous substances or other environmental pollutants, or the failure to remediate hazardous substances or other environmental pollutants properly, may adversely affect the owner's ability to sell or use real estate or to borrow outside funds using real estate as collateral. In addition, some environmental laws create a lien on contaminated property in favor of the government for costs it incurs in connection with the contamination. In addition to clean-up actions brought by governmental agencies and private parties, the presence of hazardous substances or other environmental pollutants on a property may lead to claims of personal injury, property damage, or other claims by private plaintiffs. Environmental liabilities with respect to a specific real estate asset may exceed the value of such asset, and under certain circumstances, subject the other assets of the Fund to such liabilities.

***Asset-Backed Securities.*** Asset-backed securities are subject to credit risk, interest rate risk and, to a lesser degree, prepayment risk. Asset-backed securities may also be subject to additional risks in that, unlike some mortgage-backed securities, asset-backed securities do not have the benefit of a security interest in the related collateral. Each type of asset-backed security also entails unique risks depending on the type of assets involved and the legal structure used. For example, credit card receivables are generally unsecured and the debtors are entitled to the protection of a number of state and federal consumer credit laws, many of which give debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Asset-backed securities typically experience credit risk. There is also the possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities because of the inability to perfect a security interest in such collateral.

***Structured Investments.*** The Fund may invest in entities organized and operated for the purpose of restructuring the investment characteristics of other debt securities. These investments will typically consist of equity or subordinated debt securities issued by a private investment fund that invests, on a leveraged basis, in debt instruments, including primarily senior loans and high-yield bonds and mortgage-backed securities and asset-backed securities, directly or through total rate of return swaps or other credit derivatives. The cash flow on the underlying instruments may be apportioned among the newly issued security to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to such securities is dependent on the extent of the cash flow on the underlying instruments. Because the Fund will not own these assets directly, they will not benefit from rights that holders of the assets have, including indemnification and voting rights.

Exposure to structured finance securities entails various risks: credit risks, liquidity risks, prepayment risks, interest rate risks, market risks, operations risks, structural risks, geographical concentration risks, basis risks and legal risks. Structured finance securities are also subject to the risk that the servicer fails to perform. Structured finance securities are subject to risks associated with their structure and execution, including the process by which principal and interest payments are allocated and distributed to investors, how credit losses affect the issuing vehicle and the return to investors in such structured finance securities, whether the collateral represents a fixed set of specific assets or accounts, whether the underlying collateral assets are revolving or closed-end, under what terms (including maturity of the structured finance instrument) any remaining balance in the accounts may revert to the issuing entity and the extent to which the entity that is the actual source of

the collateral assets is obligated to provide support to the issuing vehicle or to the investors in such structured finance securities.

***Deterioration of Credit Markets.*** During the financial crisis, events in the sub-prime mortgage market and other areas of the fixed income markets caused significant dislocations, illiquidity and volatility in the structured credit, leveraged loan and high-yield bond markets, as well as in the wider global financial markets. These forces resulted in the bankruptcy or acquisition of, or government-sponsored assistance to, several major domestic and international financial institutions and sovereign governments. These factors, combined with volatile commodity prices and foreign exchange rates, have contributed to recessionary economic conditions globally and a resultant loss of investor confidence in the financial system, which has resulted in a historically unprecedented lack of liquidity and decline in asset values. The deterioration of the global credit markets has made it more difficult for investors to obtain favorable financing for their investments. While the dislocation in the sub-prime mortgage market presents certain opportunities, the ability to generate attractive investment returns may be adversely affected to the extent an investor is unable to obtain favorable financing terms for its investments.

These conditions have had an adverse impact on the availability of credit to businesses generally and have led to an overall weakening of the U.S. and global economies. The global recession could adversely affect the financial resources of an investor (including the Fund), its investments and its ability to make principal and interest payments on, or refinance, outstanding debt when due. Similarly, the global recession could also adversely affect the financial resources and ability of both obligors with respect to mortgage loans and, when applicable, tenants of the real properties underlying investments to make payments when due. In the event of such circumstances, an investor (including the Fund) could lose both invested capital in and anticipated profits from the affected investments.

***Securitization.*** To the extent the Fund participates, directly or indirectly, in a securitization, the Fund, the Firm or their affiliates (or any of them) may be deemed to be an issuer, obligor, underwriter, control person or person liable under Section 20(b) of the Securities Exchange Act of 1934, as amended, and accordingly may have liability to investors in the securitization transaction for, among other reasons, a material misstatement or omission in the offering document or a failure to comply with private placement or resale limitations. The Fund will indemnify the Firm and its affiliates from and against such liabilities in accordance with the indemnification provisions in the Governing Documents. The Fund also may make representations, covenants and warranties to and indemnify certain parties to the securitization transaction, including the investment banks structuring the transaction and the placement agents. The obligations under these representations, covenants, warranties, and indemnities may survive the Fund's ownership of assets related to the transaction. In order to participate in certain securitization transactions, the Fund may be required, including under applicable regulations, to retain an interest in the first loss securities issued in these securitization transactions for a longer period than it otherwise would have had to if such retention obligation not existed.

***Valuation Risks.*** The determination of fair market value of the Fund's assets will be based on historical and current market information. The fair market value of an asset includes unrealized gains and losses and may be adjusted by any cash distributed or contributed to the Fund or to reflect any permanent impairments to the asset values. The fair market value may vary from actual amounts realized upon the disposition of the assets being valued. Although fair market value determinations will be made in good faith, there can be no assurances that they will prove to be accurate. The Fund may rely on valuations it receives in determining the price paid for assets. Such valuations may turn out to be inaccurate and therefore affect the Fund's returns with respect to such assets. There can be no certainty that the price paid for an asset by the Fund will be equal to or less than the valuation that an independent appraiser determines for that asset and as such, this may have an impact on the fair market value as they are calculated on a valuation, rather than a price paid, basis. Under current market conditions, it may be difficult to establish a market value for certain types of investments.

***Concentration of Investments.*** Limited Partners have no assurance as to the degree of diversification of the Fund's investments, either by geographic region or asset type. The Fund is not subject to any formal policies regarding diversification and may sometimes concentrate its portfolio holdings in industries, geographic regions or companies which, in light of investment considerations, market risks and other factors, believed to provide the best opportunity for attractive risk-adjusted returns in the value of the Fund's assets. The concentration of the Fund's portfolio in a small number of investments or in any one industry would subject the Fund to a greater degree of risk with respect to the failure of one or a few of the investments.

**Item 9**  
**Disciplinary Information**

In the past ten years, there have been no legal or disciplinary events involving the Firm or any of its management persons that are material to the Firm's advisory business or to the integrity of the Firm's management.

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

- A.** Neither the Firm nor any of its management persons are registered, or have an application pending to register, as broker-dealers or registered representatives of a broker-dealer.
- B.** Neither Churchill nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C.** The entities which serve as managing members or general partners of certain Clients are affiliates of and under common control with Churchill. Churchill Funding I LLC (“Churchill Funding”) is a specialty funding company focused on serving the capital needs of residential real estate participants. Churchill Funding’s core business is to provide liquidity to the residential transitional loan space through direct lending to real estate investors, fund independent operators, and provide capital to its broker network. CFAI Special Assets LLC (“Special Assets”, and collectively with Churchill Funding, the “Churchill Affiliates”) capitalizes on the proprietary data and market insight of Churchill’s other business segments to identify and invest in distressed and default situations. As the Churchill Affiliates focus on the commercial real estate industry and other areas which do not take away investment opportunities from Churchill, there are no current conflicts with the Firm. A potential conflict of interest can exist, albeit unlikely based on both the Firm’s and the Churchill Affiliates’ strategies. Should an actual conflict materialize, the Firm will take appropriate action to ensure that Client interests are best served under the circumstances and in accordance with the law. Outside of this, neither the Firm nor any of its management persons have a relationship or arrangement that is material to Churchill’s advisory business or its Clients.
- D.** Churchill does not recommend or select other investment advisers for the Clients.

## Item 11

### Code of Ethics, Participation or Interests in Client Transactions and Personal Trading

**A.** The Firm has adopted a Code of Ethics (the “Code”), which describes the Firm’s fiduciary duties and responsibilities to its Clients, requires that the Firm’s employees act in the best interests of Clients to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with the Clients to the extent reasonably possible, and identify and manage conflicts of interest to the extent that they arise. The Firm’s employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the Firm or other appropriate party of any actual or suspected violations of such laws by the Firm or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of the Firm’s employees. The Code requires employees to provide duplicate brokerage accounts statements, or their electronic equivalent, to the Firm or to report all securities transactions on at least a quarterly basis; and requires employees to provide a summary of securities holdings on at least an annual basis. The Code also includes policies and procedures to prevent the misuse and disclosure of material nonpublic information (“insider trading”) and other confidential information and policies and procedures addressing conflicts of interest; outside activities of employees; gifts and business entertainment, including limitations and reporting requirements; and pre-clearance and reporting of political contributions. The Firm provides a complete copy of its Code to any Client, investor, prospective Client or prospect investor upon request to the Chief Compliance Officer. Investors may contact the Firm to receive a copy of the Firm’s Code.

**B.** From time to time, consistent with a Client’s investment objectives and subject to satisfaction of the policies and procedures set forth in the Code and in the Firm’s compliance manual (the “Compliance Manual”), the Firm may recommend that a Client acquire or sell securities in which a related person of the Firm has a pre-existing direct or indirect interest. A potential conflict of interest could arise in that the interested related person of the Firm could benefit from such a purchase or sale of the applicable security by a Client. However, the Firm has policies and procedures designed to identify and manage conflicts of interest to the extent they arise in connection with such transactions. These procedures are further detailed in the Firm’s policies and procedures. Certain terms of the Governing Documents and the equity participation of Churchill’s related persons in the Clients further mitigate such conflicts.

The Firm generally does not itself trade securities on a principal basis with the Clients. Certain related persons of the Firm, however, could be principals (and in the future other funds may be deemed principals), based on SEC staff guidance, due to an investment in any such fund or related person by the Firm and controlling persons exceeding 25% of that fund’s or related person’s assets. To the extent that the Firm and/or its related persons engage (or are deemed to engage) in principal securities transactions, any such transactions will comply with applicable law. The Firm and/or its related persons may have interests in such transactions that are adverse to the Funds or other Clients. In the event that the Firm decides to engage in a principal transaction, it will disclose to investors of the Clients the material terms of the transaction and receive approval from such investors, prior to engaging in the principal transaction.

To the extent permitted by applicable law and the applicable Governing Documents, the Firm may effect “cross transactions” with Clients, where the Firm may cause a Client to purchase investments from another Client, or it may cause a Client to sell investments to another Client. The Firm would recommend the Clients to enter into such transactions only if the transactions were consistent with the best interests of the Clients and at a price that the Firm and/or its related persons believe constitutes best execution for Clients. Neither the Firm nor any related party receives any commission or commission equivalent in connection with these transactions.



**C.** From time to time, subject to satisfaction of the policies and procedures set forth in the Code, the Compliance Manual and the Governing Documents, the Firm or a related person of the Firm may invest in the same securities that are recommended to a Client. A potential conflict of interest could arise in that the Firm or the interested related person of the Firm could benefit from the Client's ownership of, or subsequent sale of, the applicable security. However, the Code and the Compliance Manual are designed to identify and manage conflicts of interest to the extent they arise in connection with the personal securities transactions and other investment activities of Churchill's related persons. In particular, the Code requires that Churchill's related persons abide by policies and procedures, including a pre-clearance procedure, in connection with certain of their personal securities trading activities, and such activities are monitored under the Code to ensure compliance with such policies and procedures.

**D.** From time to time, in appropriate circumstances and subject to satisfaction of the policies and procedures set forth in the Code, the Compliance Manual and the Governing Documents, Churchill may in the future establish certain investment vehicles through which Churchill personnel and other related persons or business associates may invest alongside a Client in one or more investment opportunities. Such vehicles, referred to as "co-investment vehicles," generally are contractually required, as a condition of investment, to purchase and sell each investment opportunity at substantially the same time and on substantially the same terms as the applicable Client that is invested in that investment opportunity. The Firm's Code and Compliance Manual are designed to identify and manage conflicts of interest to the extent they arise in connection with such transactions.

Certain service providers (or their affiliates), including administrators, lenders, brokers, attorneys, consultants and investment banking firms, that the Firm may retain or seek to have retained for the Clients or their portfolio companies (or with respect to the Funds' portfolio investments therein) may also have relationships with, or have provided goods or services to, the Firm, its affiliates or other organizations to which senior investment professionals of the Firm have been affiliated. The Firm may choose to engage or seek to have engaged the same service providers to provide services to the Clients, portfolio companies, the Firm or its affiliates. In some cases, these service providers may provide services for one or more of these parties on terms that are more beneficial than those afforded to other of these parties. There can be no guarantee that the Clients or any of their portfolio companies will receive the most beneficial terms offered by any particular service provider. These services and relationships, or more favorable terms offered by service providers, may influence the Firm and its affiliates in deciding whether to select such a provider to perform services for the Clients or portfolio companies.

The Governing Documents generally provide that the Clients will be responsible for all costs and expenses in connection with their operation, other than the costs and expenses that will be the responsibility of the Firm or other third parties. To the extent possible, third-party expenses incurred in connection with consummated transactions may be borne by the respective portfolio companies. The Firm's out-of-pocket expenses are generally reimbursed by the applicable portfolio company or the Clients. A conflict of interest could arise in the Firm's determination whether certain costs or expenses that are incurred in connection with the operation of the Clients meet the definition of partnership operational expenses for which the Clients are responsible, or whether such expenses should be borne by the Firm. The Clients will be reliant on the determinations of the Firm in this regard, and also in regard to the allocation of investment expenses and any common operating expenses as between the various funds advised by the Firm. There can be no assurance that errors will not arise in such allocations.

The Firm may, from time to time, be presented with investment opportunities that fall within the primary investment objective of a Client and one or more other Client. In these situations such investment opportunities will generally be allocated on a basis that is made in good faith to be fair and reasonable taking into account the sourcing of the transaction, the history of the transaction (including the business interests and other requirements of third parties involved in the transaction), the relative amounts of capital available for investment and other relevant considerations such as the contractual and legal restrictions applicable to each such Client. Notwithstanding the foregoing, the Firm shall not be obligated to offer a Client any investment opportunity. The members of the Firm that are involved in the allocation process will be empowered to take into account other considerations as they deem appropriate to ensure a fair and equitable allocation of opportunities, and will be entitled to vary their approach to allocation from time to time in light of such factors as they consider relevant, including developing market practice. Similarly, the individuals responsible for allocation decisions may change in the future based on the personnel needs of the Firm and developing market practice.

Notwithstanding the allocation process described above, depending on the timing of the relevant transaction, a co-investment may begin as a purchase and subsequent sale transaction (e.g., where the Firm, a Client and/or one or more other Clients closes on an acquisition first, and then subsequently “sells” a joint venture interest to another of the Firm, a Client and/or the other Clients), where other procedures would otherwise apply. This may occur, for example, in circumstances where one or more conditions to the later-acquiring party’s investment need to be satisfied before it is able to participate. It will also be within Firm’s discretion to determine to co-invest one or more of its Clients in such opportunities or otherwise create shared economics. Such transactions would occur on terms that may not be arms-length, but that the general partner determines are reasonable for such Client.

**Item 12**  
**Brokerage Practices**

- A.** Churchill provides investment advice with respect to private investments. As such, the Firm's transactions are privately negotiated and do not involve the use of a broker or dealer for the execution of transactions. The Firm will seek to negotiate and execute transactions in an efficient manner and consistent with its fiduciary duties to the Clients. Due to the nature of the Firm's investment advice and relationship with the Clients, the Firm does not engage in soft dollar arrangements with broker-dealers; consider Client referrals when selecting or recommending a broker-dealer; or engage in directed brokerage. If, in the future, the Firm does utilize broker-dealers for transactions, this section will be updated accordingly.
- B.** The aggregation of orders is not applicable for the reasons stated above.

**Item 13**  
**Review of Accounts**

- A.** The Firm's managing partners review the holdings of Clients' portfolios formally on a quarterly basis, as well as informally on a continuous and ongoing basis.
- B.** More frequent reviews may be triggered by material changes in key variables that could affect the performance of the portfolios, including changes in the financial markets and activity and trends in the political or economic environments.
- C.** Written audited financial statements will be provided to investors in each Fund, generally within 120 days of the Fund's fiscal year end. An annual report will be distributed which will, in addition to the information provided in the quarterly reports, provide the valuations of the underlying investments in each of the Fund portfolios.

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

**A.** No one other than the Firm receives an economic benefit from the Client for providing investment advice or other advisory services to the Client, unless otherwise disclosed in this brochure and/or the Governing Documents.

**B.** As of the date of this brochure, neither Churchill nor any of its related persons compensates any person who is not a supervised person for Client referrals. However, from time to time, in the context of organizing a Fund, the Firm may compensate one or more placement agents for referrals of Client investors. A prospective investor solicited by a placement agent or other third party will be advised of any such arrangement, including the receipt of fees. Similarly, if the Firm decides to engage a third party for SMA client referrals, the relationship will be structured in accordance with the applicable cash solicitation rules and affected prospects will be informed of the arrangement, including the receipt of fees.

## **Item 15**

### **Custody**

The Firm currently does not maintain physical custody of its Clients' assets; all cash and any securities for the Clients are held in custody by independent qualified custodians. However, the Firm has access to the Clients' accounts and is thus deemed to have custody of such assets under Rule 206(4)-2 of the Advisers Act (the "Custody Rule"). Accordingly, the Firm adheres to the applicable requirements of the Custody Rule with respect to the Client for which it or an affiliate serves as a managing member or general partner. The Firm arranges for an independent accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, to independently audit the Fund on an annual basis. The audited financial statements are prepared in accordance with generally accepted accounting principles in the United States of America and are sent to all investors within 120 days of the end of the Fund's fiscal year.

**Item 16**  
**Investment Discretion**

Churchill has full discretionary authority to manage the assets of the Clients, subject to limitations set forth in each Client's Governing Documents. As described more fully in each Client's Governing Documents, Churchill is granted power of attorney over each Client's assets, including the right to pursue an investment program in its discretion, subject to certain limitations set forth in each Client's Governing Documents. When selecting securities and determining amounts, Churchill adheres to the limitations and restrictions of the Clients for which it advises.

**Item 17**  
**Voting Client Securities**

The Firm's investment strategy does not generally involve the acquisition of public securities with voting authority, making it unlikely that a Client will be placed in a position of proxy voting authority. However, if a Client does come into possession of securities with voting rights, the Firm will implement the appropriate policies and procedures and seek to vote proxies in the best interests of its Clients.

Investors may obtain information about how the securities were voted and a copy of the Firm's proxy voting policies and procedures upon request by contacting the Firm at the phone number listed on the cover page of this Brochure.



**Item 18**  
**Financial Information**

- A. The Firm does not require or solicit prepayment of more than \$1,200 in fees from any Fund six months or more in advance.
- B. The Firm does not believe any financial conditions currently exist that are reasonably likely to impair its ability to meet contractual or other commitments to the Funds.
- C. The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.