

## **CAMARGO ADVISERS, LLC**

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**An SEC Registered Investment Adviser**

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This brochure provides information about the qualifications and business practices of Camargo Advisers, LLC. If you have any questions about the contents of this brochure, please contact us at (219) 250-2633. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Where Camargo Advisers, LLC describes itself as a registered investment adviser, registration does not imply a certain level of skill or training.

## **ITEM 2        MATERIAL CHANGES**

There have not been any material changes to Camargo Advisers to date.

## ITEM 3

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## **ITEM 4      ADVISORY BUSINESS**

Camargo Advisers, LLC (“ADVISER”) is a Delaware limited liability company that was formed in November 2022. ADVISER is owned by Camargo Group, LLC, an Indiana limited liability company. ADVISER is an independent investment advisory firm whose core business is to provide investment advisory services to one or more Funds.

### Advisory Services to the Funds:

ADVISER provides investment advisory services to (i) Camargo Investments I, LLC, a Delaware limited liability company (“Fund I”), (ii) Camargo Investments II, LLC, a Delaware limited liability company (“Fund II”), and (iii) Camargo Investments III, LLC, a Delaware limited liability company (“Fund III”, and collectively with Fund I and Fund II, the “Funds”; each a “Fund”). Generally, ADVISER has complete discretion and authority to manage and direct the investment of capital for each Fund for which it serves as the investment manager. ADVISER participates in the selection, buying and selling of specific securities and debt instruments on behalf of each Fund. An affiliate of ADVISER, Camargo Group LLC, is the Managing Member of each Fund.

The Investors in Fund I and Fund II are debt investors, and hold debt instruments issued by those Funds. The Investors in Fund III are equity investors and hold equity interests in Fund III. The equity interests of Fund III, and the debt instruments issued by Fund I and Fund II, are not registered under the Securities Act of 1933, as amended (the “Securities Act”), and each Fund is not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, the debt instruments of Fund I and Fund II and the interests in Fund III are offered and sold exclusively to persons (“Investors”) who are “accredited investors” as defined in Rule 501(a) under the Securities Act of 1933, as amended. Investors in Fund III are also required to be “qualified purchasers” within the meaning of Section 2(a)(51)(A) of the Investment Company Act. Investors in the Funds may include, but are not limited to, individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

ADVISER does not participate in wrap fee programs.

As of December 1, 2022, ADVISER manages approximately \$8 million in assets within Fund I, \$750,000 in assets within Fund II, and \$5.6 million in assets within Fund III, all on a discretionary basis.

## **ITEM 5      FEES AND COMPENSATION**

### Fund I

Fund I pays ADVISER a Management Fee, in arrears, in an amount equal to one-quarter of one percent (0.25%) per annum of the Fund’s NAV, as of the beginning of each month. The Management Fee charged to Fund I is not negotiable.

In addition to a Management Fee, ADVISER is paid a structuring fee when Fund I acquires a portfolio of debt instruments. The amount of the structuring fee is determined at the time of the acquisition, and is generally equal to approximately 0.5% of the portfolio’s purchase price.

In addition to paying the Management Fee and any structuring fees to ADVISER, Fund I also bears all other costs and expenses associated with its organization, the offering and sale of its debt instruments, and the costs and expenses of its ongoing operations, including custodian costs and auditor costs.

Neither ADVISER nor any of its officers, directors, employees, or persons providing advice on ADVISER's behalf and subject to ADVISER's supervision and control accepts compensation for the sale of securities or other investment products.

## Fund II

Fund II pays ADVISER a Management Fee, in arrears, in an amount equal to one-quarter of one percent (0.25%) per annum of the Fund's NAV, as of the beginning of each month. The Management Fee charged to Fund II is not negotiable.

In addition to a Management Fee, ADVISER is paid a structuring fee when Fund II acquires a portfolio of debt instruments. The amount of the structuring fee is determined at the time of the acquisition, and is generally equal to approximately 0.5% of the portfolio's purchase price.

In addition to paying the Management Fee and any structuring fees to ADVISER, Fund II also bears all other costs and expenses associated with its organization, the offering and sale of its debt instruments, and the costs and expenses of its ongoing operations, including custodian costs and auditor costs.

Neither ADVISER nor any of its officers, directors, employees, or persons providing advice on ADVISER's behalf and subject to ADVISER's supervision and control accepts compensation for the sale of securities or other investment products.

## Fund III

Fund III pays ADVISER a Management Fee, in arrears, in an amount equal to one-quarter of one percent (0.25%) per annum of the NAV of each Capital Account, as of the beginning of each month. The Management Fee is charged against a Member's Capital Account regardless of whether such Capital Account increases or decreases in value over time. The Fund's Managing Member may negotiate fees and agree to a different management fee arrangement in respect of any Capital Account of a Member or waive or reduce the Management Fee in respect of any Capital Account of a Member, in its discretion. This will not entitle the Member that holds such Account, or any other Member, to such a different arrangement, waiver or reduction in respect of any other Capital Account. Differences in Management Fees may depend on the investment amounts and/or liquidity terms.

In addition to a Management Fee, ADVISER is paid a structuring fee when Fund III acquires a portfolio of debt instruments. The amount of the structuring fee is determined at the time of the acquisition, and is generally equal to approximately 0.5% of the portfolio's purchase price.

In addition to paying the Management Fee and any structuring fees to ADVISER, Fund III also bears all other costs and expenses associated with its organization, the offering and sale of its debt instruments, and the costs and expenses of its ongoing operations, including custodian costs and auditor costs.

Neither ADVISER nor any of its officers, directors, employees, or persons providing advice on ADVISER's behalf and subject to ADVISER's supervision and control accepts compensation for the sale of securities or other investment products.

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

ADVISER does not receive any performance-based compensation. ADVISER'S affiliate, Camargo Group, LLC, is the Managing Member of each Fund and receives compensation from each Fund that is related to the Fund's performance, as described below.

### Fund I

The Investors in Fund I are debt investors, and hold debt instruments issued by Fund I. The debt instruments issued by the Fund accrue interest at a stated rate. Fund I uses the cash flow from its investment portfolio to pay the principal and accrued interest of the Investors' debt instruments. Once the Fund's Investors have been paid all amounts due under the Fund's debt instruments, any amounts remaining in the portfolio are paid to the Managing Member of Fund I.

### Fund II

The Investors in Fund II are debt investors, and hold debt instruments issued by Fund II. The debt instruments issued by the Fund accrue interest at a stated rate. Fund II uses the cash flow from its investment portfolio to pay the principal and accrued interest of the Investors' debt instruments. Once the Fund's Investors have been paid all amounts due under the Fund's debt instruments, any amounts remaining in the portfolio are paid to the Managing Member of Fund II.

### Fund III

The Investors in Fund III are equity investors, and hold membership interests in Fund III. The Investors' membership interests have a preferred return of a 12% IRR. Fund III uses the cash flow from its investment portfolio to pay the preferred return to its investors. Once the Investors in Fund III have received distributions that yield them an IRR of 12%, distributions of cash flow are made 80% to the Investors and 20% to the Managing Member until the Fund's Investors have received an IRR of 16%. Once the Investors in Fund III have received distributions that yield them a 16% IRR, distributions of cash flow are made 60% to the Investors and 40% to the Managing Member until the Fund's Investors have received an IRR of 18%. Thereafter, distributions of cash flow are made 60% to the Managing Member and 40% to the Investors.

## **ITEM 7 TYPES OF CLIENTS**

ADVISER provides advisory services to the following types of clients:

Pooled Investment Vehicles (i.e. private debt funds).

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

Each of the Funds invests in performing debt instruments that are secured by chattel mortgages. ADVISER engages in active portfolio management of each Fund and invests in portfolios of

performing debt instruments with a loan-to-value ratio of not more than 95%. Each debt instrument in a portfolio is secured by a first position lien. ADVISER attempts to mitigate the portfolio risk through active asset management and coordination with third party loan servicers and underlying borrowers. ADVISER also attempts to diversify the portfolio of each Fund by investing in various market segments within different regions of the country, as well as engaging multiple commercial and retail borrowers.

The principal general risks associated with ADVISER's investment strategy include, but are not limited to, the following:

General Investment Risk, *i.e.*, the risk of deterioration in the financial markets or economy in general;

Strategy Risk, *i.e.*, the risk that the ADVISER's investment strategy and/or investment structuring, diligence or risk analysis may not work as intended;

Default Risk, *i.e.*, the risks associated with the failure of the mortgagors to pay the obligations of the debt instruments;

Institutional Risk, *i.e.*, the risk that the Fund could incur losses due to: the failure of counterparties to perform their contractual commitments to the Fund; or (ii) the financial difficulty of banks or other financial institutions that hold assets of the Fund; and

Fund Structure Risk, *i.e.*, the special considerations and risks arising from the operation of certain provisions of the Fund's operating agreement.

## **ITEM 9      DISCIPLINARY INFORMATION**

ADVISER is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. ADVISER does not have any required disciplinary disclosures.

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

ADVISER is a wholly owned subsidiary of Camargo Group, LLC, which serves as the Managing Member of the Funds to which ADVISER provides advisory services. ADVISER and its parent company have shared personnel and office space.

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

### Code of Ethics.

ADVISER has adopted a Code of Ethics (the "Code") that sets forth the standards of conduct expected of ADVISER personnel. All personnel are required annually to acknowledge in writing that they have received and will comply with the Code. The Code requires all personnel to comply with federal securities laws and to report all violations of the Code to ADVISER's Chief Compliance Officer ("CCO"). The Code states that ADVISER's personnel owe a fiduciary duty to ADVISER's clients

requiring them to act in the best interests of ADVISER's clients. ADVISER's personnel must avoid conflicts of interest with clients and actions or activities that allow (or appear to allow) them or their family members to profit or benefit from their relationships with ADVISER at the expenses of clients. The Code contains policies specific to the safeguarding of non-public personal information of clients and the avoidance of conflicts of interest. The Code also prohibits manipulative trading practices and, to the extent applicable, insider trading. In addition, the Code restricts personnel from giving or receiving gifts in excess of de minimus value to or from persons that do business with or on behalf of ADVISER.

ADVISER's CCO is required to report issues that arise under the Code to senior management at least annually. ADVISER will provide a copy of its Code of Ethics to any client upon request.

ADVISER's affiliate, Camargo Group, LLC serves as the Managing Member to the Funds to which ADVISER provides advisory services, and has an equity interest in each Fund. Prospective investors to the Funds are solicited by the Managing Member, and not ADVISER. Except for such solicitation of Fund investors, neither ADVISER nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which ADVISER or the related person has a material financial interest. Except for the Fund equity interests owned by the Managing Member, neither ADVISER nor any of its related persons invests in the same or related securities that it recommends to clients or prospective clients. Neither ADVISER nor any of its related persons recommends securities to clients or buys or sells securities for client accounts at the same time that ADVISER or the related person buys or sells the same securities for its own (or the related person's own) account.

## **ITEM 12      BROKERAGE PRACTICES**

ADVISER does not use any brokerage services to implement its investment strategy.

As part of its fiduciary duties to clients, ADVISER endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of direct or indirect economic benefits by ADVISER or its related persons in and of itself creates a potential conflict of interest and may indirectly influence ADVISER's choice of the Custodians for custody and other services.

ADVISER has not received or been offered any direct or indirect compensation in connection with its choice of Custodian.

## **ITEM 13      REVIEW OF ACCOUNTS**

ADVISER monitors the investment portfolio of each Fund that it advises on an ongoing basis. As part of the monitoring process, ADVISER reviews each portfolio for payment defaults and covenant defaults. The results of ADVISER's ongoing due diligence process are furnished to the Fund's Managing member for review and, if required, action.

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

ADVISER may arrange for a third-party to provide additional research and/or diligence services for the Fund. Presently, there are no such arrangements with third parties.



Currently, neither ADVISER nor any related person directly or indirectly compensates any third parties for investor referrals to the Fund.

#### **ITEM 15 CUSTODY**

UMB Bank serves as the custodian for Fund I. Investors in Fund I receive account statements the custodian and should carefully review those statements. Investors in Fund II and Fund III receive account statements from the Fund's Managing Member, and should carefully review those statements.

Camargo Group, LLC is the Managing Member of each Fund. In this capacity, Camargo Group, LLC is deemed to have custody of client funds or securities. As such, starting with calendar year 2023 each Fund will be audited on an annual basis by CLH, CPAs & Consultants, a public accounting firm registered with the Public Accounting Oversight Board.

#### **ITEM 16 INVESTMENT DISCRETION**

ADVISER generally is granted the authority to exercise discretion on behalf of the Funds that it advises. ADVISER is considered to exercise investment discretion over a Fund's account if it can effect transactions for the Fund without first having to seek the Fund's consent. ADVISER is given this authority in the investment management agreement between ADVISER and each Fund.

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

ADVISER, as a matter of policy and practice, has no authority to vote proxies on behalf of the clients. The Funds managed by ADVISER invest in mortgage-backed debt instruments, and do not invest in any securities that have voting rights. Consequently, proxy voting is not an issue that will ever arise for ADVISER.

#### **ITEM 18 FINANCIAL INFORMATION**

ADVISER is not required to provide financial information because it does not require prepayment of more than \$1,200 in fees per client, six months or more in advance. There are no known financial conditions that would impair ADVISER's ability to meet contractual commitments to its clients. ADVISER has not been the subject of a bankruptcy petition.