

CM Investment Partners, LLC  
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## Part 2A of Form ADV: Firm Brochure

**This brochure provides information about the qualifications and business practices of CM Investment Partners, LLC ("CMIP"). If you have any questions about the contents of this brochure, please contact us at the phone number listed above or [rdelguercio@Investcorp.com](mailto:rdelguercio@Investcorp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. CMIP is registered with the SEC as an investment adviser; however, please note that such registration does not imply a certain level of skill or training.**

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

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\* A NOTE ABOUT THE FORMAT OF THIS BROCHURE: The SEC requires all investment advisers to organize their disclosure documents according to specific categories, some of which may not pertain to a particular adviser's business. Where a required category is not relevant to our business, we list the category and state that it does not apply.

## ***A. ADVISORY BUSINESS***

CM Investment Partners LLC ("CMIP") is wholly owned by Investcorp International Holdings Inc., which is part of the Investcorp group of companies ("Investcorp Group"). The Investcorp Group effectively operates as a management-controlled group, substantially all of whose assets and operations are owned and controlled by Investcorp S.A., a company domiciled in the Cayman Islands. Certain of the Investcorp Group's directors and senior executive officers have the ability to indirectly control Investcorp S.A.

CMIP provides advisory services to business development companies and private funds. This Brochure discusses CMIP's business practices with relation to the advisory services we provide to private funds.

CMIP registered as an investment adviser with the SEC in 2013. In January of 2023, CMIP began providing discretionary investment advisory services to a private fund pursuant to an investment management agreement. This vehicle invests in middle market loans (i.e. investments in securities issued by collateralized loan obligations). In our role as adviser to the fund, CMIP identifies, evaluates and recommends potential investment opportunities for the fund; negotiations and monitors investments of the fund; renders reports, analyses and other information regarding the funds' investments; and advises the general partner of the fund on other matters as may be requested. Investment advice is provided to the general partner of the fund, and not directly to underlying investors in the fund. However, CMIP provides reports and analyses of the funds' investments to investors in the fund upon request.

CMIP manages approximately \$150,000,000 on a discretionary basis in private fund assets.

## ***B. FEES AND COMPENSATION***

We are compensated for our advisory services through management fees and performance fees. Please see Item 6 for a full description of our performance-based fees.

We earn management fees based on fees on funded commitments of capital made by the limited partners of private funds, subject to limitations as provided in the funds' offering materials. Currently CMIP's management fee amounts to an annualized rate of .75% of the capital commitments of each limited partner in our funds.

Management fees are paid in advance on a quarterly basis. Should the management services be terminated prior to the actual provision of services for the upcoming period, we will return management fees pro-rata from the date of the termination to the end of the period to which the advance fee applied.

Other non-management fees apply, including, without limitation, custodian fees, monitoring fees and transaction fees. Organizational materials for our funds describe each fund's fee structure and use of such fees. Fees are not generally negotiable, though they are waived or deferred at the discretion of the general partner to the private fund. Any such waivers and deferrals will cause some investors or groups of investors to pay fees that are different from the basic fee schedules disclosed in fund offering or organizational materials. In certain circumstances we will enter into side letter agreements with certain investors providing such investors with different or preferential rights or terms, including but not limited to different fee structures and co-investment rights.

In addition to the non-management fees described above, investors in private funds bear certain expenses incurred in connection with each fund's ongoing operations including legal, administrative, accounting, tax, and audit expenses. CMIP has authority to hire and determine the reasonable compensation of the services of other professionals, consultants, accountants, appraisers and any and all other third-party agents and assistants, both professional and nonprofessional, and the compensation of such service providers is an expense born by the funds. Such expenses are allocated among investors in the funds to reflect equitably amounts credited to or debited against each investor's capital contribution. Fee amounts are capped at \$300,000 per year for all investors.

In addition to the fees earned by CMIP, one or more of CMIP's affiliates receive carried interest allocations based on capital commitments made by such affiliates in the fund. The participation of any CMIP affiliate in the fund and the distributions received by such affiliate(s) are documented in each funds' organizational materials.

### ***C. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT***

CMIP receives a carried interest in our funds, which is a type of performance-based fee arrangement. Under this strategy a hurdle rate or preferred return must be achieved before we receive any carried interest payments. CMIP's employees also receive a carried interest in the fund, represented through the life of the fund as carried credits awarded by the fund's general partner which are payable at the end of the fund's life assuming a set hurdle rate or preferred return is reached. Detailed information on the calculation of carried interest is available in the funds' organizational documents.

Performance-based fee arrangements create an incentive for CMIP to make investments which may be riskier or more speculative than those which would be made under a different fee arrangement.

As we currently manage only a single private fund which charges performance-based fees and a single business development company which also charges performance-based fees, we do not currently engage in side-by-side management. However, we note that performance-based fees vary between our clients, which generally follow similar investing strategies. Conflicts of interest are presented when we have financial incentive to recommend investments to a client which promises higher performance-based fees based on the client's strategies and assets under management.

Advice given to one client may differ from the advice given, or the timing or nature of action taken, with respect to other clients. We have no obligation to purchase or sell for a client any security or other property which we purchase or sell for another client, if it is undesirable or impractical to take such action. Conflicts of interest between our clients are discussed and resolved on a case-by-case basis.

#### ***D. TYPES OF CLIENTS***

Our clients are a business development company and a pooled investment vehicle operating under the exemption to the definition of an "investment company" located at section 3(c)(7) of the Investment Company Act. The minimum capital commitment for our private fund is one hundred million U.S dollars (or equivalent in other currency), though commitments of lesser amounts are accepted at the discretion of CMIP and/or the funds' general partner.

#### ***E. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS***

Our funds invest solely in direct investments in middle market companies through first lien, second lien, unitranche, and, to a lesser extent given the current credit environment, mezzanine debt and private equity investments. Our objective is to deliver favorable, risk-adjusted returns together with capital preservation. Generally, we seek to meet this objective through intensive fundamental research and investment analysis, combined with active investment management to minimize principal losses and impairment of risk capital. "Middle market" in this context is defined as companies typically generating less than \$100 million of earnings before interest, taxes, depreciation and amortization (EBITDA). Within this framework, we generally focus on middle market companies with EBITDA between \$15 million to \$75 million, although we will invest in smaller or larger companies from time to time. We source investment opportunities from a variety of different investment sources, including private equity sponsors, fundless sponsors, family offices,

management teams, financial institutions, investment bankers, and accounting firms.

Our investment process starts with the sourcing of a potential transaction. Upon receiving information on a potential transaction, the information is reviewed by the investment professionals. Upon determination that a potential transaction has investment merit, we will meet with the target, which is typically the private equity sponsor of the company, the management team of the company, or an intermediary if one is involved. A preliminary analysis is prepared which typically includes a situation overview, company overview, key investment considerations, investment risks, information on the management team and the sponsor, financial data, a financial model and investment return information. A term sheet will be prepared and if acceptable, we will proceed to conduct extensive due diligence. In situations where we are participating in a club transaction, a syndicated transaction or a secondary purchase of a credit, the process may be slightly different; in such case, we do not prepare the term sheet, but instead review the terms being presented. For each investment opportunity, we conduct in-house analytics, which can include analysis of market and operational dynamics as well as historical and projected financial information. Additionally, background checks on company management teams are completed prior to an investment. Finally, in reviewing anticipated investments, our supervised persons may conduct visits to the target's headquarters and potentially auxiliary sites (e.g. factories, distribution centers, international locations). At any point, our investment professionals could deem that the potential investment no longer has merit and due diligence ceases. We perform an ongoing portfolio monitoring function on portfolio companies following an investment. The monitoring process can include discussions with company management, the private equity sponsor of the company, attendance at operating and board of director meetings when available and interactions with industry experts, third-party sources of market information and third-party consultants. Additionally, we typically receive and analyze periodic financial data and operating metrics as well as annual audited financial statements. Lastly, we perform other portfolio analyses and monitor current and future liquidity needs and covenant compliance.

Material risks related to the investment strategies described above include, but are not limited to, the following:

*General Risk of Loss.* Investments involve risk of loss that investors in the fund should be prepared to bear. We do not guarantee or represent that our investment program will be successful. Our past results are not necessarily indicative of our future performance and our investment results may vary over time. We cannot assure investors that investment of their capital contributions will be profitable, and such investments are subject to the possible of loss based on market fluctuations

outside the adviser's control. Investments in a pooled vehicle are not a bank deposit and are not insured or guaranteed by the FDIC or any other government agency.

*Call Risk.* Some bonds / middle market debt instruments (collectively "bonds") give the issuer the option to call, or redeem, the bonds before their maturity date. If an issuer "calls" its bond during a time of declining interest rates, the strategy might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of "callable" issues are subject to increased price fluctuation.

*Corporate and Other Debt Obligations Risk.* Corporate and other debt obligations, including commercial paper, are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations.

#### ***F. DISCIPLINARY INFORMATION***

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

#### ***G. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS***

This item does not apply to our business.

#### ***H. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING***

##### *Code of Ethics*

Pursuant to Rule 204(A)-1 of the Advisers Act, CMIP has adopted a written Code of Ethics (the "Code") which includes policies and procedures designed to reduce actual and potential conflicts of interest and establish "best practices" standards to require its Supervised Persons, as that term is defined in the Advisers Act, to place the interests of CMIP's clients above the Supervised Persons' own personal interests. The Code includes provisions relating to the following principles:

- As a registered investment adviser, CMIP has a fiduciary relationship with our clients. Therefore, all Supervised Persons must carry out their duties solely in the best interests of clients and free from all personal compromising influences and loyalties.
- CMIP's operations are governed by the Advisers Act and the rules and regulations that the SEC has promulgated thereunder. All Supervised Persons must comply with the Advisers Act and other applicable Federal securities laws and rules.

- Under no circumstances may Supervised Persons use confidential information about a client, or an actual or potential investment of a client, for the Supervised Person's own benefit. Nor may he/she divulge information about clients or potential or actual investments of clients to any person except as expressly authorized by the client or as necessary to perform his/her duties on behalf of the Firm. Supervised Persons are expected to be knowledgeable about the Firm's privacy policy and to adhere to same.
- To the extent that a Supervised Person advises CMIP's clients, the Supervised Person must act with prudence and make sure his/her investment decisions for clients have a reasonable and adequate basis. Prior to taking action on behalf of clients, such Supervised Persons must analyze the investment opportunities in question and only take actions that are consistent with the stated objectives and constraints of the client. Neither CMIP nor any Supervised Person may favor the interests of one CMIP client over another. Although it may not be possible to treat each client identically in every single transaction, on the whole, no client or group of clients should be disadvantaged to benefit any other client or group of clients.
- No Supervised Person may directly or indirectly agree to share in the profits earned or losses incurred in any client's account.
- No Supervised Person may warrant or guarantee the future value of or return on any security or investment. Nor may he/she warrant or guarantee the success or profitability of any investment advice the Firm renders or any trading or investment strategy the Firm follows.
- No Supervised Person may make or receive a payment or gift in excess of \$250 per individual per year where the payment or gift relates to the business of the recipient's employer. This prohibition does not apply to gifts to or from persons with whom the Supervised Person has a family or other personal relationship that exists apart from his/her association with the Firm or any other Investcorp affiliated entity. This prohibition also does not apply to ordinary and usual business entertainment hosted by CMIP or any other Investcorp affiliated entity, so long as such entertainment is neither so frequent nor so extensive as to raise any question of propriety. Supervised Persons must report to the Firm's Compliance Department all gifts made or received in excess of \$100.
- Supervised Persons must not lend or borrow money, securities or commodities to or from a client.
- Except as expressly authorized by the Firm, no Supervised Person may directly or indirectly authorize or pay any rebate, bonus, fee or other



consideration to any person for business sought or procured, or to any official of any governmental or regulatory body.

- Supervised Persons shall maintain and preserve all books, records, and accounts which accurately and fairly reflect financial transactions on behalf of the Firm or a client. No Supervised Person may make or cause to be made any false or misleading entry or record in the books, records or accounts of the Firm or a client.

As with all policies and procedures, our Code is designed to cover a variety of circumstances and conduct. However, no policy or procedure can anticipate every potential conflict of interest that can arise in connection with the Firm's advisory business. Consequently, our Supervised Persons are expected to abide not only by the letter of the Code, but also by the spirit of the Code.

Whether or not a specific provision of the Code addresses a particular situation, Supervised Persons must conduct their professional activities in accordance with the general principles contained in the Code and in a manner that is designed to avoid any actual or potential conflicts of interest. CMIP expects its Supervised Persons to conduct the Firm's affairs solely in the best interests of clients and not to engage in business or financial activities that may conflict with the activities of CMIP. Decisions regarding CMIP's business relationship with any other person or entity must be based solely upon valid business considerations. No Supervised Person may permit a business decision to be influenced by personal or other unrelated interests or factors.

CMIP's Code of Ethics also covers the following topics: insider trading, conflicts of interest, political activities and contributions, participation in private securities transactions, privacy policy and outside business activities. CMIP's Supervised Persons may from time to time serve as members of the boards of public and non-public companies. Such Supervised Persons must obtain the approval of CMIP's Compliance Department prior to accepting such role. A copy of the Code of Ethics will be furnished upon request to any current or prospective client by contacting Rocco DelGuerico, Chief Compliance Officer, at 646-690-5047 or [rdelguercio@Investcorp.com](mailto:rdelguercio@Investcorp.com).

### *Personal Trading*

CMIP's Code of Ethics addresses the personal trading activities of its Supervised Persons. Specifically, it requires Supervised Persons to report their personal securities holdings and transactions to the Firm's Compliance Department. CMIP's Supervised Persons must obtain pre-approval from the CCO prior to participating in most types of securities transactions and in all private placements and initial public offerings. In the event that a Supervised Person seeks to invest in a U.S. limited

offering, the CCO will review the proposal to see if a client is considering a transaction in the same limited offering and if so whether the Supervised Person's proposed transaction interferes with the client's transaction. The Supervised Person's proposed investment is also reviewed to confirm it is not on terms more favorable than the terms of the client's investment.

#### *Participation or Interest in Client Transactions*

*Cross-Transactions.* In certain cases, CMIP may cause its clients to purchase investments from another client or a client of an affiliated Adviser, or it may cause a client to sell investments to another client or a client of an affiliated adviser. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a client may not receive the best price otherwise possible, or the CMIP might have an incentive to improve the performance of one client by selling underperforming assets to another client in order, for example, to earn fees. Additionally, in connection with such transactions, CMIP, our affiliates and/or our professionals (i) may have significant investments, or intentions to invest, in the client (or client of an affiliated adviser) that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). CMIP and our affiliates may receive management or other fees in connection with their management of the relevant clients involved in such a transaction and may also be entitled to share in the investment profits of the relevant clients. To address these conflicts of interest, in the event that we cross trades between accounts, we will document the reason and pricing. All cross trades must be pre-approved by the CCO.

#### ***I. BROKERAGE PRACTICES***

This item does not apply to our business, as our funds' investments are conducted without reliance on broker-dealers.

#### ***J. REVIEW OF ACCOUNTS***

As part of the advisory services we provide to our client, we conduct due diligence on proposed investments and compile information supporting our analysis. This diligence is conducted by CMIP's investment committee which meets to review and approve all proposed transactions. We are also responsible, on an ongoing basis but no less than quarterly, for monitoring performance of the investments. Supplementary in-depth reviews of the funds investments can be triggered by

market or economic factors, severe deterioration in credit performance, collateral value, or cash flow.

***K. CLIENT REFERRALS AND OTHER COMPENSATION***

This item does not apply to our business.

***L. CUSTODY***

Rule 206(4)-2 under the Advisers Act (the “Custody Rule”) defines “custody” to include a situation in which an adviser or a related person holds, directly or indirectly, client funds or securities or has any authority to obtain possession of them, in connection with advisory services provided by the adviser. For purposes of the Custody Rule, we are therefore deemed to have “custody” of certain client assets. CMIP complies with the Advisers Act Custody Rule with respect to private funds by undertaking to deliver audited financial statements to the investors in our funds within 120 days after the end of the fiscal year of the funds. These financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and audited by an independent public accountant. Clients should carefully review these financial statements.

***M. INVESTMENT DISCRETION***

CMIP has accepted discretionary investment authority over our clients’ assets. This discretionary authority is granted to us in writing via our investment management agreement. Such discretion is to be exercised in a manner consistent with the stated investment objectives and guidelines of the funds, as set forth in each fund’s organizational documents and our investment management agreement.

***N. VOTING CLIENT SECURITIES***

We are appointed agent and attorney-in-fact to vote and execute proxies, waivers and consents with respect to the assets of the funds we advise. In order to meet our fiduciary obligations under the Investment Advisers Act of 1940, CMIP has adopted written policies and procedures reasonably designed to ensure that we vote clients’ proxies in the clients’ best interests. These policies and procedures also discuss how CMIP resolves potential material conflicts of interest that arise in the course of proxy voting.

Requests to review our proxy voting policies and procedures and any questions regarding our policies and procedures should be directed to Rocco DelGuerico, Chief Compliance Officer. He may be reached at 646-690-5047 or [rdelguercio@Investcorp.com](mailto:rdelguercio@Investcorp.com).

***O. FINANCIAL INFORMATION***

This item does not apply to our business as we have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients and have never been the subject of a bankruptcy proceeding.