

## Independent Investment Advice Disclosure

*Last updated: April 2026*

Chatham Financial Europe (“Chatham”) provides independent investment advice in accordance with applicable laws and regulations, including the second Markets in Financial Instruments Directive (MiFID II), 2014/65/EU, its delegated regulations as amended from time to time, as well as relevant guidance issued by competent authorities.

### **Nature of Independent Advice**

Chatham provides advice on an independent basis. This means that advice is based on a sufficiently diverse and representative analysis of financial instruments available in the market. In providing advice, Chatham considers all relevant and appropriate financial instruments suitable for managing the client’s financial risks.

Chatham supports clients in structuring / evaluating hedging strategies, selecting appropriate instruments, providing independent valuation and pricing analysis, and arranging transactions with third-party counterparties. Given the nature of hedging activities, the universe of suitable instruments is often inherently limited and highly specialized. For its recommendations, Chatham will consider the client’s objectives, market conditions and all available data sources to enable informed client decision-making.

Chatham does not manufacture financial instruments, but specializes in advising on hedging strategies, which typically involve a limited range of bespoke derivative instruments tailored to a client’s specific risk profile and objectives. However, advice is not limited to financial instruments issued or provided by specific counterparties. Chatham does not receive or retain inducements from third parties in relation to its advice.

### **Independence and Inducements**

Chatham operates as a fee-only advisor. It does not receive or retain fees, commissions, or non-monetary benefits from third parties in connection with its investment advice, and does not accept inducements that could impair its duty to act in the best interests of clients. Chatham may incur costs for market data, benchmarking services and external data providers to support the quality and independence of its advice.

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### Summary of Process and Controls – FX and Interest Rate Instruments

Each day at 4:00 p.m. U.S. Eastern time (UTC-05:00), Chatham's systems capture a market data "snapshot" representing close-of-business rates. The data set includes, among others:

- Interest rate fixings (including risk-free rates and relevant benchmarks)
- Futures data
- Swap rates
- Exchange rates
- Government bond and treasury rates

This data is incorporated into Chatham's proprietary models to produce independent valuations. Chatham seeks to incorporate a broad and relevant set of market data inputs to ensure robustness and accuracy.

### General Valuation Methodology – Interest Rate Instruments

The valuation of interest rate derivatives typically requires a forward curve, a discount curve, and/or a volatility surface (for options). These are derived from yield curve data such as deposit rates, futures and swaps. Chatham's models transform these inputs into valuation outputs. Given the efficiency of interest rate markets, valuation differences across providers are generally limited.

The models are subject to ongoing validation:

- **Swap Valuation:** A swap represents an exchange of fixed and floating cash flows. Valuation is based on forward rates derived from yield curve data and discounted cash flows.
- **Swaption Valuation:** A swaption is an option to enter into a swap. Valuation includes interest rate inputs and implied volatility data.
- **Cap/Floor, Corridor and Collar Valuation:** These instruments are valued using market interest rates, volatility inputs and standard option pricing techniques. Structured instruments are valued as combinations of simpler components.
- **Cancellable Swaps:** Cancellable or extendable swaps are valued as combinations of swaps and embedded swaptions.
- **General Valuation Methodology Currency Instruments:** FX forwards are valued using spot rates, forward rates and interest rate differentials. FX Option and Collar Valuation is based on spot and forward rates, interest rate curves and FX volatility. Models are based on standard market methodologies, including Black-Scholes-type approaches.

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Cross Currency Swap Valuation is based on spot rates, interest rate curves in both currencies and cross-currency basis spreads.

- **Commodity Instruments:** Chatham retrieves daily futures settlement prices and volatility data, which are incorporated into valuation models using standard market methodologies. Valuation is based on forward curves derived from futures prices, discount curves and volatility surfaces. Option products are valued using standard techniques with appropriate calibration.

### **Ongoing Review and Governance**

Chatham maintains processes to ensure the quality, consistency and independence of its advice, including ongoing review of data sources, models and market practices.