

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Salient Advisors, L.P. If you have any questions about the contents of this brochure, please contact us at 713-993-4675 or pbachtold@salientpartners.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.

Additional information about Salient Advisors, L.P. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 122833.

Item 2 Material Changes

The following is a summary of material changes to Part 2A of Form ADV since the last annual amendment filed with the SEC on 03/30/2011. This section only reflects material changes since the last annual amendment of the Brochure.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Summary of Material Changes:

- Item 4 "Advisory Business" includes a new pooled investment vehicle, The Yield Fund. (Revised 06/15/2011)
- Item 5 "Fees and Compensation" includes fees for The Yield Fund. (Revised 06/15/2011)
- Item 8 "Methods of Analysis, Investment Strategies and Risk of Loss" includes information for The Yield Fund. (Revised 06/15/2011)
- Item 4 "Advisory Business" discloses publication of periodicals or newsletters. (Revised 07/15/2011)

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Item 4 Advisory Business

Salient Advisors, L.P. is a SEC-registered investment adviser with its principal place of business located in Texas. Salient Advisors, L.P. began conducting business in 2002.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Salient Partners, L.P., Limited Partner

Salient Advisors, L.P. offers the following advisory services to our clients:

Salient Advisors, L.P. (the "Adviser") provides investment advisory services to Investment Funds which include the Salient Absolute Return Fund Complex (the "SAR Complex"), The Yield Fund Complex ("The Yield Fund") and the Salient Partners EV Fund LP (the "EV Fund").

The SAR Complex, which is organized in a "master-feeder" structure, is comprised of the Salient Absolute Return Master Fund (the "SAR Master Fund") and its three feeder funds, which include the Salient Absolute Return Fund (the "SAR Fund"), the Salient Absolute Return Institutional Fund (the "SAR Institutional Fund") and the Salient Absolute Return Fund, L.P. (the "SAR LP Fund").

The SAR Master Fund, the SAR Fund and the SAR Institutional Fund are each Delaware statutory trusts registered under the Investment Company Act of 1940 as non-diversified, closed-end management investment companies. The SAR LP Fund, a Delaware limited partnership, (which is not currently open to new investors or investments) is not registered under the Investment Company Act of 1940 in reliance on the Section 3(c) (7) exemption under the 1940 Act.

Additionally, shareholder investment interests in the SAR Fund and the SAR Institutional Fund are registered under the Securities Act of 1933 and are offered publically by prospectus and SAI. Investment interests in the SAR Master Fund and the SAR LP Fund are not registered under the Securities Act of 1933 in reliance on Section 4(2) and Regulation D thereunder. It should also be noted that investment interests in the SAR Master Fund are only being offered by private placement to the SAR Fund and the SAR Institutional Fund. All of the feeder funds invest substantially all of their assets into the SAR Master Fund. The Adviser also provides investor servicing to the SAR Complex.

The investment advisory services provided to the SAR Complex are governed by three investment management agreements entered into by the Adviser and the SAR Master Fund, SAR Fund and SAR Institutional Fund. Two separate investor servicing agreements are in place between the Adviser and the SAR Fund and SAR Institutional Fund. Given the fact that the Adviser is general partner of the SAR LP Fund, there is no formal advisory agreement or term with respect to this fund.

The Yield Fund refers to four Delaware limited partnerships that include The Yield Fund, L.P. and The Yield (Exempt) Fund, L.P. (collectively "The Yield Feeder Funds") that invest, directly or indirectly, all or substantially all of their respective assets through a "master-

feeder” structure into The Yield Master Fund I, L.P. and The Yield Master Fund II, L.P. (collectively “The Yield Master Funds”).

The Yield Fund is not registered under the Investment Company Act of 1940 in reliance on the Section 3(c)(1) exemption under the 1940 Act. Furthermore, investment interests are not registered under the Securities Act of 1933 in reliance on Section 4(2) and Regulation D thereunder. The investment advisory services provided to The Yield Fund are governed by an investment management agreement with The Yield Feeder Funds and The Yield Master Funds. The Adviser has entered into an agreement with Covenant Multifamily Offices, LLC, an unrelated firm, to assist the Adviser in the management of The Yield Fund.

The Salient Partners EV Fund LP, a Texas limited partnership, is not registered under the Investment Company Act of 1940 in reliance on the Section 3(c)(7) exemption under the 1940 Act. Furthermore, investment interests are not registered under the Securities Act of 1933 in reliance on Section 4(2) and Regulation D thereunder. The investment advisory services provided to the EV Fund are governed by an investment management agreement between the EV Fund, Salient Advisors, L.P. and the Fund’s General Partner, Salient Partners EV Fund GP LP.

The Adviser has an Investment Committee which oversees its operations and investment advisory services. The Committee is comprised of John A. Blaisdell, Andrew B. Linbeck, Lee G. Partridge, Jeremy L. Radcliffe and A. Haag Sherman.

These individuals, and other associated persons of the Adviser, are also owners, officers, and/or employees of Salient Partners, L.P. Research, analysis, and allocation of investment opportunities will be shared by Adviser and affiliates of Salient Partners, L.P.

With respect to the SAR Complex, the assets of the SAR Master Fund are invested in a portfolio consisting primarily of interests in private partnerships, registered investment companies, other investment vehicles or funds and/or managed, commingled or separate accounts (collectively, “Investment Funds”) that are managed by other investment advisers or managers (“Investment Managers”) identified by the Investment Committee. The Investment Funds are invested in a wide range of instruments and markets including, but not limited to, U.S. and non-U.S. equities and equity-related instruments, currencies, commodities, real estate, fixed income securities, other debt-related instruments and other derivative products. The Funds’ investment objective, investment strategy and other important disclosure information is contained in the Funds’ prospectus, SAI and/or offering documents.

The Yield Fund is designed to take advantage of dislocations in the retail and commercial credit markets by investing principally in debt instruments issued by a variety of corporate, real estate, government and other issuers.

The EV Fund invests in the EnerVest Energy Institutional Fund XII-A, L.P. and EnerVest Energy Institutional Fund XII-B, L.P.

Salient Advisors, L.P. has no other clients, and the investment services that Salient provides are limited to the management of the assets of the SAR Complex, The Yield Fund and the EV Fund (i.e., Salient Advisors, L.P. does not provide any investment advice directly to individual investors in the Funds).

Publication of periodicals or newsletters:

We also issue research reports and develop other products derived from market research. Our market research reports and other products differ from traditional investment research because they focus on macroeconomic conditions, business trends in particular industries and industry conditions, rather than on statistical analysis or financial valuation or earnings models of individual issuers. We use our research reports in connection with providing investment advice to the funds we manage. We also use our research reports in communications to fund investors and potential investors.

Amount of Managed Assets:

As of 01/31/2011, the Adviser was actively managing \$138,168,494 of clients' assets on a discretionary basis.

Item 5 Fees and Compensation

Salient Advisors, L.P. is compensated for providing investment advisory services to the SAR Complex, The Yield Fund and the EV Fund in the form of management fees and servicing fees.

The management fees for the SAR Fund and the SAR Institutional Fund, as specified in the Funds' prospectus and SAI, are paid quarterly in arrears, and are equal to 0.75% on an annualized basis of the SAR Master Fund's average net assets as of each month end. The Adviser is also paid a servicing fee in consideration for its role as a servicing agent providing investor services and administrative assistance. For the SAR Fund, the Servicing Fee equals 1.00% (on an annualized basis) of the Fund's average month-end net assets, payable quarterly in arrears. For the SAR Institutional Fund, the Servicing Fee equals 0.25% (on an annualized basis) of the Fund's average month-end net assets, payable quarterly in arrears.

The management fees for the SAR LP Fund, as specified in the Funds' offering document, are paid monthly in arrears, and are equal to the following annualized percentages of the "Net Investment Capital" of each Limited Partner's capital account:

Capital Accounts with Net investment Capital of	
\$2.5 Million or less	1.5%;
Capital Accounts with Net investment Capital greater than	
\$2.5 Million but less than \$10 Million.....	1.25%; and
Capital Accounts with Net investment Capital of	
\$10 Million or more	1.0%

"Net Investment Capital" means the amount of a Limited Partner's initial capital contribution, plus the amount of any subsequent capital contributions, minus the amount of any redemption(s).

As specified in the Funds' offering document, The Yield Fund will pay the Adviser a fixed management fee calculated monthly in arrears and payable at the end of each calendar month, at a rate equal to 1.0% per annum of the net asset value of the capital account of each Limited Partner.

The management fee for the EV Fund, as specified in the Fund's offering document, is equal to:

- (i) 1.00% of the aggregate unreturned Capital Contributions of the Limited Partners with Commitments of \$250,000 to \$1,999,999;
- (ii) 0.75% of the aggregate unreturned Capital Contributions of the Limited Partners with Commitments of \$2,000,000 to \$3,999,999; and
- (iii) 0.50% of the aggregate unreturned Capital Contributions of the Limited Partners with Commitments of \$4,000,000 or greater, and are paid by the Limited Partners on a pro rata basis.

The fee is paid quarterly in advance.

Distributions of net proceeds attributable to the EV Fund's interest in the EnerVest Fund will be allocated in the first instance to the General Partner and the Limited Partners pro rata in proportion to their Capital Contributions made to the Fund. Each Limited Partner's pro rata share of net proceeds attributable to the Fund's interest in the EnerVest Fund will then be distributed to such Limited Partner and the General Partner in the following amounts and order of priority:

(a) First, 100% to the Limited Partner until the Limited Partner has received distributions equal to such Limited Partner's aggregate Capital Contributions to the Fund and the amount of Partnership Management Fees paid by such Limited Partner.

(b) Second, 100% to the Limited Partner to provide a 9% annual compounded rate of return on the amount distributed under clause (a).

(c) Third, 100% to the General Partner until such time as the General Partner has received in the aggregate:

(i) 5% of the total amounts distributed pursuant to clause (b) and this clause (c) to the Limited Partners with Commitments of \$250,000 to \$1,999,999;

(ii) 4% of the total amounts distributed pursuant to clause (b) and this clause (c) to the Limited Partners with Commitments of \$2,000,000 to \$3,999,999; and

(iii) 3% of the total amounts distributed pursuant to clause (b) and this clause (c) to the Limited Partners with Commitments of \$4,000,000 or greater.

(d) Thereafter:

(i) (A) 95% to each Limited Partner with Commitments of \$250,000 to \$1,999,999 and (B) 5% to the General Partner;

(ii) (A) 96% to each Limited Partner with Commitments of \$2,000,000 to \$3,999,999 and (B) 4% to the General Partner; and

(iii) 97% to each Limited Partner with Commitments of \$4,000,000 or greater and (B) 3% to the General Partner.

The distributions payable to the General Partner pursuant to clause (c) and (d) above are referred to as the "*Carried Interest*."

The Adviser does not have a stated minimum client investment amount, but it does not plan to accept any clients other than investment companies or unregistered investment funds. However, individual investors in the Funds are subject to a minimum investment. With regard to the SAR Complex, the Funds initial and subsequent minimum investor investment amount is \$25,000. The minimum investment in The Yield Fund is \$1,000,000 and the minimum investment in the EV Fund is \$250,000, although their respective General Partners may accept commitments in lesser amounts.

GENERAL INFORMATION

Termination of the Advisory Relationship: With respect to the SAR Complex, the initial term of the Agreements with the SAR Master Fund, SAR Fund, and the SAR Institutional Fund is two (2) years, beginning with the registration of each of the Funds under the Investment Company Act. This period began April 1, 2010. At the end of the initial terms, the Agreements will renew on a year-to-year basis, as long as such continuance is specifically approved at least annually by the affirmative vote of: (i) a majority of the members of the Funds' Board who are not parties to the Agreements or interested persons (as defined in the 1940 Act) of any party to the Agreements; and (ii) a majority of the Funds' Board or the holders of a majority of the outstanding voting securities of the Funds. The Agreements may nevertheless be terminated at any time without penalty, on 60 days' written notice, by the Funds' Board, by vote of holders of a majority of the outstanding voting securities of the Funds, or by the Adviser.

The Management Agreement for The Yield Fund shall continue in effect unless terminated at any time without penalty, on 60 days' written notice, by the General Partner with respect to a particular Fund, or by the Adviser.

The Agreement governing the EV Fund does not have a defined term.

Mutual Fund Fees: All fees paid to the Adviser for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, a possible distribution fee, and/or an initial or deferred sales charge.

Additional Fees and Expenses: The Adviser's fees do not include the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: The Adviser does not require payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

As noted in Item 5, above, the Salient Partners EV Fund makes distributions based on performance. Incentive Fee arrangements may create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. It may also pose a conflict of interest in that the Adviser has an incentive to favor clients that pay an Incentive Fee over clients who only pay an asset-based fee (for example, by allocating limited investment opportunities to clients that pay Incentive Fees). The Adviser addresses this conflict by regularly reviewing allocations to ensure that they are appropriate to the needs of advised Funds.

Item 7 Types of Clients

Salient Advisors, L.P. provides advisory services to registered investment companies and other pooled investment vehicles.

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

METHODS OF ANALYSIS

Salient Absolute Return Fund Complex: The SAR Master Fund's assets are allocated broadly among Styles and Strategies for the allocation of capital at the time of investment. The Adviser has latitude to allocate more or less capital to a particular Style, Strategy or Investment Fund, depending on the Adviser's belief about the opportunities afforded over a given investment time horizon. In making such asset allocation decisions, the Adviser considers national and international economic and geopolitical conditions, the risks incident to the Styles, Strategies and Investment Funds, and the relative return opportunities presented by each (among other considerations), and gauges these factors against other opportunities and the need for a broad portfolio to reduce risk (as measured by volatility).

The Adviser defines "manager risk" as the risk that an Investment Manager will not generate the returns commensurate with the mean of the Investment Manager's peer group (i.e., same Style and Strategy) because of: (a) poor fundamental analysis and/or security selection; (b) market timing; (c) management turnover within the Investment Manager; or (d) other factors or circumstances that affected that Investment Manager's Style and Strategy generally. Manager risk can be reduced by, among other things, due diligence conducted on the Investment Managers and diversifying across multiple Investment Managers within the same or similar Style and Strategy.

It is the responsibility of the Adviser to research and identify Investment Managers, to satisfy itself as to the suitability of the terms and conditions of the Investment Funds and to allocate or reallocate each Fund's assets among Investment Managers. The Adviser employs an approach to investing that seeks to combine in-depth research and recommendations with portfolio management, risk management, due diligence and management oversight. The Adviser allocates each Fund's assets among Investment Managers using the diverse knowledge and experience of the members of its Investment Committee.

For a more detailed discussion of the Funds' methods of analysis and material risks, please refer to the Funds' prospectus and SAI.

The Yield Fund: The Investment Team's philosophy for The Yield Fund achieving its investment objective is to seek to construct a widely diversified portfolio across a range of asset classes, strategies, issuers, geographies and markets. The Investment Team considers market conditions and macro views when employing these strategies on behalf of The Yield Fund. The Investment Team evaluates the upside and downside risks to identify the best relative investments across markets and capital structures. Moreover, the Investment Team rotates among asset classes based on market fundamentals, including liquidity and sector dislocations, technical signals and asset values.

The Investment Team identifies investment opportunities through a proactive approach based upon their own professional experiences, relationships and other market sources. The Investment Team has regular meetings to, among other things, discuss market conditions, the investment pipeline, review investments for consideration, review due diligence results, review transaction performance and review portfolio composition.

Before proceeding with an opportunity, the Investment Team reviews the opportunity in terms of prioritization, time management, transaction process and relative value. Members of the Investment Team work collaboratively on reviewing investment opportunities to seek to provide a consistent approach and investment discipline across the entire portfolio.

Using both a bottom up and a top down approach, the Investment Team seeks to employ a strict analytical framework and thorough analysis for investment ideas. Each individual investment opportunity is analyzed both for its own merits and for inclusion in The Yield Fund's portfolio.

For a more detailed discussion of the Funds' methods of analysis and material risks, please refer to the Funds' offering documents.

Salient Partners EV Fund LP: The EV Fund invests in the EnerVest Energy Institutional Fund XII-A, L.P. and EnerVest Energy Institutional Fund XII-B, L.P. ("EnerVest Fund"). Prospective investments that pass an initial screening are subjected to EnerVest's thorough analysis and due diligence process. The due diligence process examines all important aspects of a prospective investment in detail, with particular attention focused on the proved reserve asset base. Due diligence is performed by EnerVest's in-house team of investment professionals, petroleum engineers, geologists and financial and land professionals, with assistance, when necessary from third-party expert consultants. EnerVest also performs a detailed financial due diligence review to ensure the validity of historical and projected financial data, utilizing consultants where appropriate, and extensive environmental due diligence, typically using third party professionals to minimize exposure to significant environmental issues. EnerVest also evaluates the ability to sell an asset to others as a pre-condition of evaluating a seller's asset package.

EnerVest's thorough analysis of the proved and probable reserve assets includes a review of (i) production rates and ultimate recoverable reserves; (ii) risk profiles of the properties including, but not limited to, an analysis of concentration, reservoir peculiarities, geologic

conditions, operational risks and other related risks; (iii) historical oil and gas prices and related “basis” risk relative to geographic location and quality of the oil or gas; (iv) other potential burdens or benefits to future cash flow, including contingent liabilities; and (v) any special tax consequences of the transaction. EnerVest also analyzes the ability of the EnerVest team to add value and the potential synergies associated with other managed assets.

For a more detailed discussion of the Fund’s methods of analysis and material risks, please refer to the Fund’s offering documents.

Risks for all forms of analysis: These securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While the Analysts are alert to indications that data may be incorrect, there is always a risk that their analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

Salient Absolute Return Fund Complex: Each Fund’s objective is to seek to generate a return stream that is marked by relatively low volatility as measured by annualized standard deviation and relatively low correlation to equity and other “risk” markets. When implemented within a broader portfolio that contains exposure to equities and other relatively high-volatility asset classes, the Fund seeks to dampen overall volatility by decreasing directionality and correlation with equity or “risk” markets, and it is designed to achieve a volatility level closer to that of fixed income instruments such as U.S. government bonds (Treasuries) or investment grade corporate bonds as opposed to the volatility of equity or “risk” markets (although in certain periods, volatility may be higher, sometimes materially). Many of the strategies utilized with the Fund generally provide better returns in a higher (but not extreme) volatility environment, with rising short-term interest rates, and therefore, these types of strategies can provide a reasonable hedge against inflation, while providing portfolio stability akin to fixed income.

The strategies employed by the Adviser and the Investment Funds (and, by extension, the Funds) fall into four primary categories (“Styles”) and several secondary categories (“Strategies”). In addition to benefiting from the Investment Managers’ individual investment strategies, the Master Fund, as a whole, expects to achieve the benefits of making a broad allocation of its assets among a carefully selected group of Investment Managers and securities that fit within the various Styles and Strategies. The Adviser expects that by investing through multiple Investment Managers employing various Styles and Strategies, the Master Fund may reduce the volatility inherent in a more concentrated portfolio that is invested in fewer Investment Managers, Styles and/or Strategies. The Adviser and the Investment Managers may invest in a wide range of instruments and markets, including, but not limited to, U.S. and foreign equities and equity-related instruments, U.S. and foreign fixed income securities, issued by both governments and corporations, currencies, commodities, and financial futures, swaps and other derivatives.

For a more detailed discussion of the Funds’ investment strategies and material risks, please refer to the Funds’ prospectus and SAI.

The Yield Fund: The investment objective of The Yield Fund is to achieve attractive total returns that are comprised primarily of yield or income. The Yield Fund is designed to take advantage of dislocations in the retail and commercial credit markets by investing principally in debt instruments issued by a variety of corporate, real estate, government and other issuers who are generally dedicated to holding or originating some form of debt that may or may not be backed by specific pools of assets. Due to a sequence of events during and after the debt crisis of 2008, many creditworthy, smaller borrowers have found it difficult to access capital from traditional lending sources to finance projects, fund growth, refinance existing debt or restructure balance sheets. As a result, many of those borrowers are now forced to offer concessions in the form of guarantees, higher interest rates, or greater asset coverage as compared to historical norms or the terms afforded to larger borrowers with access to the capital markets.

The Yield Fund's investable universe is comprised of a wide range of financial instruments and real assets, including but not limited to corporate debt, government and municipal debt, emerging market debt, real estate, infrastructure, energy and intellectual property.

The Yield Fund's investments may take a variety of forms, including U.S. and international public and private securities, ownership of real and personal property, other financial instruments, corporate and personal obligations or contracts, in cash or synthetic structures. The Yield Fund may make, purchase or enter into loans, corporate bonds, equipment trust certificates, private trust certificates and other trust certificates, private placements, syndicated loans, short sales, 144A securities, public and private equities and new issues. The Yield Fund may invest in over-the-counter instruments such as total return swaps, interest rate swaps, options, forward rate agreements, credit default swaps and related instruments, without limitation, or exchange-traded futures, options and options on futures. The Yield Fund may also make investments including investments in residential value insurance, private investment partnerships, joint ventures and other pooled investment vehicles, as well as special purpose vehicles formed to capture certain opportunities and which may subsequently be spun off. The Yield Fund may invest in assets which are not expected to generate current income for a certain period of time or until their scheduled or expected maturity date. The foregoing list should not be considered exhaustive but illustrative only. The Yield Fund may invest in any asset or instrument deemed, in the sole discretion of the Adviser, appropriate for the objectives of The Yield Fund.

The Yield Fund may use leverage on an individual investment or portfolio basis and may do so when deemed appropriate by the Investment Team in order to enhance The Yield Fund's returns, make investments or meet withdrawal requests, as appropriate. The use of leverage can, in certain circumstances, increase the losses and/or volatility to which The Yield Fund's investment portfolio may be subject.

For a more detailed discussion of the Funds' investment strategies and material risks, please refer to the Funds' offering documents.

Salient Partners EV Fund LP: The EV Fund invests in the EnerVest Energy Institutional Fund XII-A, L.P. and EnerVest Energy Institutional Fund XII-B, L.P. ("EnerVest Fund"). The primary objective of the EnerVest Fund is to generate returns for its institutional investors by making prudent investments in the upstream sector of the oil and gas industry in North

America. To achieve the EnerVest Fund's objective, its General Partner intends to implement a disciplined process of acquiring oil and gas properties and controlling equity interests in companies that own oil and gas assets, aggressively managing and developing the properties, reducing costs and strategically divesting the assets. In addition, the EnerVest Fund will focus on acquiring properties with proved reserves processing significant development potential, yet underpinned with a base proved developed producing component of at least 50% of the reserves of the overall portfolio. The goal of this investment focus is to provide a significant level of current return from the producing reserves, while providing enhanced returns from the development of the non-producing reserves. The EnerVest Fund's investment strategy is based on achieving returns on a risk-adjusted basis through the disciplined execution of the EnerVest Fund's business plan rather than through reliance on increasing commodity prices.

For a more detailed discussion of the Fund's investment strategies and material risks, please refer to the Fund's offering documents.

Risk of Loss: Securities investments are not guaranteed and always carry a risk of loss.

Item 9 Disciplinary Information

We are required to disclose any 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. Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Clients of the Adviser (the Funds) employ a related broker-dealer, Salient Capital, L.P., as their Placement Agent/Distributor.

Salient Advisors, L.P. does not use Salient Capital, L.P. to place trades in client accounts. However, associated persons of the Adviser are licensed as registered representatives of Salient Capital, L.P. These individuals, in their separate capacity, can effect securities transactions for which they may receive separate, yet customary compensation.

While Salient Advisors, L.P. and these individuals endeavor at all times to put the interest of the clients first as part of their fiduciary duty, clients should be aware that the receipt of additional compensation from Salient Capital, L.P. may create a conflict of interest, and may affect the judgment of these individuals when making recommendations.

As discussed in detail in Item 4, above, the Adviser's clients are all investment companies or unregistered private partnerships.

Individuals on the Investment Committee and other associated persons of the Adviser are also owners, officers and/or employees of Endowment Advisers, L.P.; GHE Advisers, L.P.; Integrity Capital, LLC and Salient Capital Advisors, LLC. In these capacities, these individuals also provide investment advice to the following limited partnerships:

The Endowment Master Fund, L.P.; The Endowment Registered Fund, L.P.; The Endowment TEI Fund, L.P.; The Endowment Institutional Fund, L.P.; The Endowment Institutional TEI Fund W, L.P.; The Endowment (Domestic) Fund, L.P.; The Endowment (Domestic QP) Fund, L.P.; The Endowment (Exempt) Fund II, L.P.; The Endowment (Exempt QP) Fund II, L.P.; The Endowment (International) Fund, Ltd; Global Hedged Equity Master Fund, L.P.; Global Hedged Equity Fund, L.P.; Global Hedged (Offshore) Equity Fund, Ltd.; Salient Absolute Return Master Fund; Salient Absolute Return Fund; Salient Absolute Return Institutional Fund; Salient Absolute Return Fund, L.P.; Salient Partners EV Fund LP; The Yield Master Fund I, L.P.; The Yield Master Fund II, L.P.; The Yield Fund, L.P.; The Yield (Exempt) Fund, L.P.; Salient MLP Fund, L.P.; Salient MLP and Energy Infrastructure Fund; The Salient Zarvona Energy Fund, L.P.; Sustainable Woodlands Fund, L.P.; Sustainable Woodlands Fund II, L.P.; BCM Partners I; BCM Partners II; BCM Partners III; Blaze Partners; Thistle Hill Partners, Ltd.

This presents a potential conflict of interest in that these individuals may have an incentive to favor the clients of these other advisory firms when identifying or allocating investment opportunities for the Adviser. To address this potential conflict, the Adviser regularly reviews the allocations of investment opportunities between affiliated Advisers.

The following investment advisers are under common ownership and share one or more Investment Committee members with the Adviser:

Endowment Advisers, L.P., which provides investment advice to investment companies and pooled investment vehicles;

GHE Advisers, L.P., which provides investment advice to pooled investment vehicles;

Integrity Capital, LLC, which provides investment advice to public pension plans and corporate pension and profit sharing plans;

Salient Capital Advisors, LLC, which provides investment advice to individuals, pension and profit sharing plans, investment companies, pooled investment vehicles and other institutional clients.

Salient Trust Co., LTA is an affiliate of the Adviser. Salient Trust Co., LTA clients may be solicited to invest in one or more of the funds managed by the Adviser or an affiliate.

Clients Solicited to Invest in Related Partnerships. Related persons of the Adviser are members of the general partner of various private investment vehicles (as discussed above), in certain of which investors in certain feeder funds of the Adviser are solicited to invest (by the related persons), although the Adviser's clients themselves are not.

While Salient Advisors, L.P. and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of the Adviser and these individuals when making recommendations.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Adviser has adopted a Code of Ethics (the “Code”) to effectuate the purposes and objectives of Sections 204A and Rule 204A-1 of the Investment Advisers Act of 1940. A copy of our Code of Ethics can be obtained by requesting it from an advisory representative or associated person by calling (713) 993-4675.

In summary, the Code sets forth the Adviser’s standards of business conduct reflecting our fiduciary obligations to our clients and specifically requires all employees to comply with the Code and federal (and other applicable) securities laws. In addition, the Code contains the following specific provisions:

- All access persons to report their personal securities transactions (quarterly) and their securities holdings (at least annually) to the Adviser for review;
- All employees to report any violations of the Code to the Adviser;
- The Adviser to provide each employee with a copy of the Code and any amendments; and
- All employees to provide a written acknowledgement of their receipt of the Code and any amendments.

We strive to ensure that all employees act in accordance with the Adviser’s internal policies and applicable regulations governing those rendering registered investment advisory services. Employees not in compliance with firm goals in this regard are subject to sanctions, which include possible termination.

The Adviser’s related persons may invest directly with or recommend to other clients of the related persons (which may be investment programs, investment partnerships or separate accounts) that they invest directly with Investment Managers or Investment Funds recommended by the Adviser to the Funds. It is possible that Investment Funds that related persons have invested in or may invest in may have capacity constraints that could limit further investment by the Adviser’s clients.

From time to time supervised persons (employees) of the firm may make personal investments in Exchange Traded Funds (“ETFs”) that have been recommended to, and/or are currently held by, our client investment funds. Consistent with our fiduciary duties, Code of Ethics and Insider Trading policies and procedures, all such supervised persons (employees) of the firm that acquire knowledge of the Funds’ intended or proposed portfolio investments in Exchange Traded Funds (“covered ETFs”) are strictly prohibited from effecting or engaging in any personal securities trading in such “covered ETF(s)”. This strict prohibition (which also applies to personal trading by immediate family members of supervised persons) becomes effective immediately upon the acquisition of knowledge of the Funds likely ETF transaction or the issuance by Compliance of a restricted list identifying such “covered ETF(s)” (whichever occurs first) and continues until 24 hours after the Funds intended ETF transaction orders have been fully executed and the restriction on the “covered ETF(s)” has been formally lifted by Compliance notification.

Any persons found to have violated this policy will be subject to disciplinary actions including (but not limited to) warnings, sanctions, regulatory and/or Board reporting and/or possible termination.

Item 12 Brokerage Practices

The Adviser manages the assets of its client Investment Funds per the terms of the Agreements and the investment objectives of the Funds. In this capacity it has the authority to determine the investments made by the Investment Funds, the amount of those investments, and any brokers, dealers and associated commission rates.

Salient Advisors, L.P. requires that advised funds provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged for these transactions.

With regard to the SAR Complex and the EV Fund, given the fact that most of the Funds' investments are in underlying Investment Funds that are structured as partnerships, the use of brokers or dealers and the payment of associated commissions is limited primarily to registered investment companies, exchange traded funds, options, derivatives and other individual securities.

The Adviser utilizes the services of one or more prime brokers and other brokers for The Yield Fund.

In effecting securities transactions, the Adviser generally seeks to negotiate with brokers and dealers a combination of the most favorable commission and the best price obtainable on each transaction. Consequently, brokers and dealers are selected primarily on the basis of their execution capability and trading expertise consistent with the effective execution of the transaction. In choosing brokers and dealers, the Adviser may consider a number of other factors, including the nature of the security being traded, the execution, clearance and settlement capabilities of the broker or dealer and its financial stability, and any research services it may provide. Recognizing the differing value of these factors, the Adviser may elect to pay a brokerage commission in excess of that which another broker or dealer might charge for effecting the same transaction. Prior to making such a decision, however, the Adviser will make a good faith determination that such commission is reasonable in relation to the value of the brokerage and research services received, viewed in terms of that particular transaction or in terms of all the accounts over which the Adviser or its affiliates exercise trading discretion. Consistent with requirements of best execution, brokerage commissions may be directed to brokers in recognition of investment research and information furnished as well as for services rendered in the execution of orders by such brokers. By allocating transactions in this manner, the Adviser is able to supplement its research and analysis with the views and information of such brokers.

The Adviser does not currently have any soft-dollar arrangements and does not receive any soft-dollar benefits.

In the history of the Adviser there have been very few investments made for our client investment funds where a related broker-dealer would have been entitled (based upon then

existing agreements) to receive servicing fees (or other compensation) from the issuer of the security in which the Adviser invested on behalf of its client investment funds. In all such limited situations the related broker-dealer has waived, and will continue to waive (should such situations arise in the future), any servicing or other compensation fees it would otherwise be entitled to receive.

The Adviser does not “block” trades, but separately places all trades for the SAR Master and The Yield Fund. The EV Fund only invests in the EnerVest Energy Institutional Fund XII-A, L.P. and EnerVest Energy Institutional Fund XII-B, L.P.

Item 13 Review of Accounts

The Adviser has an Investment Committee which oversees its operations and investment advisory services. The Investment Committee Members are: John A. Blaisdell, Andrew B. Linbeck, Lee G. Partridge, Jeremy L. Radcliffe and A. Haag Sherman.

The Adviser reviews the investment opportunities, Investment Managers and Investment Funds that it recommends to the Funds on a monthly basis at a minimum. Designated review teams consisting of an Analyst and Managing Director continuously monitor the Investment Managers and Investment Funds and report to the Investment Committee. The Investment Committee meets formally on a monthly basis and reviews detailed reports on the asset allocation, performance and other investment characteristics of the Funds’ portfolio. The Investment Committee has sole investment decision-making authority.

The Funds monthly or quarterly investor statements are compiled and delivered to investors by a third-party administrator. In addition, the Adviser may provide individual investors with monthly reports that include a more detailed commentary on the Funds’ performance and outlook.

Item 14 Client Referrals and Other Compensation

Subject to a written agreement, both affiliated and non-affiliated persons may receive compensation for referring prospective investors to our investment fund clients. Such agreements will comply with the requirements set out in Rule 206(4)-3 of the Investment Advisers Act of 1940, including (among other things) the requirement that the relationship between the solicitor and the investment adviser be disclosed to the client at the time of the solicitation or referral. Solicitors’ fees are a percentage of the annual management fee earned by the Adviser on the individual capital account of referred investors and represent no additional expense to such investor’s account.

In any such case, applicable state laws may require these persons to become licensed either as investment adviser representatives of the advisers or as an independent investment adviser.

Item 15 Custody

As the Adviser or an affiliate is a general partner or managing member of most or all of the

Funds managed by the Adviser, the Adviser is deemed to have custody of these Funds. The Adviser requires the relevant Funds to be audited by an independent, PCAOB accountant, and will distribute the audited financial statements to all fund investors within 120 days after the relevant Fund's fiscal year end (180 days for funds of funds). The Funds' monthly or quarterly investor statements are compiled and delivered to investors by a third-party administrator.

Item 16 Investment Discretion

Our discretionary authority includes the ability to determine the security to buy or sell and to determine the amount of the security to buy or sell. This authority is contained in each fund's operating agreements, which will also contain any limits on this authority.

Item 17 Voting Client Securities

The Adviser generally does not receive or vote proxies relating to the individual securities held inside any of its Investment Funds. The Investment Managers of such investment funds generally vote those proxies. However, on occasion the Adviser may receive and vote proxies relating to the direct partnership interest held in its Investment Funds. In these cases, the Adviser relies on its Proxy Voting Policies and Procedures (which are generally designed to promote the interest of its investment fund clients) in determining its votes. A copy of the Proxy Voting Policies and Procedures and information on the Adviser's actual proxy voting record may be obtained by calling (713) 993-4675.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that has discretionary authority and custody, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Salient Advisors, L.P. has no additional financial circumstances to report.

Salient Advisors, L.P. has not been the subject of a bankruptcy petition at any time during the past ten years.