

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page



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March 2012

This brochure (the “Brochure”) provides information about the qualifications and business practices of Aether Investment Partners, LLC. If you have any questions about the contents of this Brochure, please contact us at 720-961-4190 and/or info@aetherip.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about Aether Investment Partners, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 Material Changes

If you are amending your *brochure* for your annual update and it contains material changes from your last annual update, identify and discuss those changes on the cover page of the *brochure* or on the page immediately following the cover page, or as a separate document accompanying the *brochure*. You must state clearly that you are discussing only material changes since the last annual update of your *brochure*, and you must provide the date of the last annual update of your *brochure*.

This Brochure dated March 2012 amends the Brochure dated March 2011. The following is a summary of only the material changes to this Brochure since the last annual update of the Brochure in March 2011:

- (i) In December 2011, Aether Investment Partners, LLC launched its second private investment fund, Aether Real Assets II, L.P.
- (ii) In January 2012 David Rhoades was appointed Chief Compliance Officer of Aether Investment Partners, LLC, replacing Troy Schell.

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A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

Aether Investment Partners, LLC (hereinafter “AIP”) was formed in Delaware in 2008 to manage funds of funds focused on real assets and related sectors. AIP currently serves as investment manager to Aether Real Assets I, L.P., a Delaware limited partnership formed in 2009 (hereinafter “ARA I”) and Aether Real Assets II, L.P., a Delaware limited partnership formed in 2011 (hereinafter “ARA II” and, together with ARA I and any other investment fund clients, the “Investment Fund Clients”).

As of December 31, 2011, AIP had \$270,205,253 in assets under management. AIP generally provides investment management and supervisory services to its Investment Fund Clients on a discretionary basis. Currently, AIP’s Investment Fund Clients are ARA I and ARA II, both closed-end fund of funds.

An affiliate of AIP typically serves as general partner of Investment Fund Clients organized as limited partnerships. Investment Fund Clients are neither registered under the Securities Act of 1933, as amended, nor registered under the Investment Company Act of 1940, as amended. Accordingly, interests in Investment Fund Clients are offered exclusively to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in offshore transactions. No offer to sell interests in these Investment Fund Clients is made by the descriptions in this Brochure. Please see Item 7 (Types of Clients) of this Brochure for more information with respect to AIP’s clients.

The principal owners of AIP are the following:

Troy Russell Schell, managing member
Sean Arthur Goodrich, managing member
Rick Leggott, member
Northern Lights Capital Partners, member
Laird Norton Company, LLC, an indirect principal owner as a member of Northern Lights Capital Partners

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

AIP was founded to pursue investments exclusively in real assets and related sectors, excluding the commercial and residential real estate sectors. AIP generally provides advisory services to Investment Fund Clients regarding investments primarily in oil, natural gas, metals, minerals, agriculture and timber. However, AIP may also provide advisory services to Investment Fund Clients regarding investments in other real assets sectors such as traditional and alternative energy assets, infrastructure, capital assets and water.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

The advisory services provided by AIP to the Investment Fund Clients are tailored to the investment objectives and investment restrictions, if any, as set forth in the governing documents of the Investment Fund Client and/or the investment management agreement entered into by AIP with such client. AIP does not tailor its advisory services to the individual needs of investors in the Investment Fund Client and does not accept investment restrictions imposed by such Investment Fund Client investors.

Each of the Investment Fund Clients may from time to time enter into agreements (“Side Letters”) with one or more

investors whereby in consideration for agreeing to invest certain amounts in the Investment Fund Client and/or other consideration deemed material, such investors may be granted favorable rights not afforded other investors in such Investment Fund Client, generally. Such rights may include, for example, special withdrawal or redemption rights related to an investor's specific legal or regulatory circumstances; special reporting or notice obligations related to an investor's specific legal or regulatory circumstances; reduced performance fees and management fees for investors affiliated with AIP, the Investment Fund Clients' General Partners or owners thereof; and reduced performance fees for early participants in Investment Fund Clients. Such Side Letters may be entered into by Investment Fund Clients and AIP without the consent of or notice to the other investors in such Investment Fund Clients.

D. If you participate in *wrap fee programs* by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

AIP does not participate in "wrap fee arrangements," whereby clients select AIP to manage funds through an investment program presented to the clients by a third-party program sponsor.

E. If you manage *client* assets, disclose the amount of *client* assets you manage on a *discretionary basis* and the amount of *client* assets you manage on a *non-discretionary basis*. Disclose the date "as of" which you calculated the amounts.

The amount of client assets managed by AIP on a discretionary basis is \$270,205,253 as of December 31, 2011, which represents the aggregate capital commitments to the Investment Fund Clients. AIP does not manage any client assets on a non-discretionary basis.

Item 5 Fees and Compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

AIP is compensated for its advisory services generally through a management fee charged to Investment Fund Clients. The management fee is typically in the range of 0.85% to 1% per year of the aggregate commitments of an Investment Fund Client's limited partners (the "Investment Fund Client Limited Partners") during an initial period for the relevant Investment Fund Client and thereafter the fee percentage is typically based on the remaining cost basis of the Underlying Funds (as defined below) then held by the Investment Fund Client or scaled down by a certain percentage. Please see Item 5 for a description of the performance-based allocations the Investment Fund Client General Partners receive from Investment Fund Clients.

Aether Real Assets GP I, LLC, an entity under common control with AIP that is the general partner of ARA I (hereinafter the "ARA I General Partner"), Aether Real Assets GP II, LLC, an entity wholly owned by AIP that is the general partner of ARA II (the "ARA II General Partner" and, together with the ARA I General Partner and any other general partners of Investment Fund Clients, the "Investment Fund Client General Partners") and/or AIP may elect to waive all or any portion of the management fee. In lieu of the waived management fee, the Investment Fund Client General Partners and/or AIP are entitled to a special allocation plus the pro rata earnings on such amount. Please see Item 4.C for a description of Side Letters that may be entered into with certain investors related to fees.

The management fees are payable without regard to the overall success or income earned by Investment Fund Clients and therefore may create an incentive on the part of AIP to raise or otherwise increase assets under management to a higher level than would be the case if AIP were receiving a lower or no management fee.

AIP's fees are generally not negotiable.

Current and prospective investors in Investment Fund Clients should refer to the private placement memorandum or other offering documents of the respective Investment Fund Client for additional information regarding fees and restrictions. The information contained herein is a summary only and is qualified in its entirety by such documents.

B. Describe whether you deduct fees from *clients'* assets or bill *clients* for fees incurred. If *clients* may select either method, disclose this fact. Explain how often you bill *clients* or deduct your fees.

AIP (or an affiliate) may deduct fees from Investment Fund Clients' assets. The management fees of Investment Fund Clients are payable twice a year, in advance, by calling capital from the Investment Fund Client Limited Partners for payment of such fees. The payment of management fees to AIP by Investment Fund Clients is subject to the provisions of the respective governing documents of Investment Fund Clients.

Performance compensation typically is deducted from Investment Fund Clients' assets and allocated to the respective Investment Fund Client General Partner pursuant to the governing documents of the Investment Fund Client.

Current and prospective investors in Investment Fund Clients should refer to the private placement memorandum or other offering documents of the respective Investment Fund Client for detailed information with respect to how fees are paid with respect to their assets. The information contained herein is a summary only and is qualified in its entirety by such documents.

C. Describe any other types of fees or expenses *clients* may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that *clients* will incur brokerage and other transaction costs, and direct *clients* to the section(s) of your *brochure* that discuss brokerage.

Clients may incur brokerage and other transaction costs. Please see Item 12 of the Brochure for further discussion of brokerage practices.

AIP's fees are exclusive of Investment Fund Clients' own operating and other expenses including: (i) investment-related expenses, (ii) organizational expenses, (iii) audit expenses, (iv) legal and accounting expenses, (v) director and officer liability or other insurance and (vi) borrowing-related expenses.

Execution of Investment Fund Client transactions does not typically, but in some circumstances may, require payment of brokerage commissions by the Investment Fund Client. Item 12 below describes the factors that AIP considers in selecting or recommending broker/dealers for the execution of liquid transactions and determining the reasonableness of their compensation (e.g., commissions).

Current and prospective investors in Investment Fund Clients should refer to the private placement memorandum or other offering documents of the respective Investment Fund Client for detailed information with respect to the fees and expenses they may pay in connection with an investment in such Investment Fund Client. The information contained herein is a summary only and is qualified in its entirety by such documents.

D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

Management fees of Investment Fund Clients are paid semi-annually in advance as described in the investment management agreement between Investment Fund Clients and AIP and/or the governing documents of the Investment Fund Clients. In the event that management fees are pre-paid with respect to a billing cycle and the advisory contract between the Investment Fund Client and AIP is terminated prior to the end of such billing cycle, a pro-rated amount of such management fees (based on the number of days during such billing cycle that advisory services were provided) generally will be refunded to Investment Fund Clients no later than 90 days following the date of such termination.

Current and prospective investors in Investment Fund Clients should refer to the private placement memorandum or other offering documents of the respective Investment Fund Client for detailed information with respect to the fees and expenses they may pay in connection with an investment in such Investment Fund Client. The information contained herein is a summary only and is qualified in its entirety by such documents.

E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

- 1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.**
- 2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.**
- 3. If more than 50% of your revenue from Investment Fund Clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.**
- 4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.**

Neither AIP nor its employees receive, directly or indirectly, any compensation from the sale of securities or investments that are purchased or sold for Investment Fund Client accounts. AIP is compensated through the stated

management fee and performance compensation agreed upon in the governing documents of the respective Investment Fund Client. Accordingly, AIP believes that it does not have any conflicts of interest regarding the receipt of additional compensation relating to Investment Fund Client assets that AIP manages, except as specifically disclosed from time to time.

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

The Investment Fund Client General Partners receive performance-based allocations from Investment Fund Clients. Generally, these performance-based allocations represent a share of distributions made by an Investment Fund Client in excess of the relevant Investment Fund Client Limited Partners' invested capital, and allocable fees and expenses. Typically, such performance-based allocations do not exceed 5% of profits and may be subject to certain preferred return hurdles. Please see Item 4.C for a description of Side Letters that may be entered into with certain investors related to fees.

As current and future Investment Fund Clients have or are expected to have similar fee structures, including performance-based fees, AIP and its supervised persons do not expect to manage accounts that are charged only asset-based or only performance-based fees. Accordingly, AIP does not consider its current fee structure to present any conflicts of interest. As a general matter, an adviser charging performance fees to some accounts but not to other accounts faces a variety of conflicts because the adviser can potentially receive greater fees from its accounts having a performance-based compensation structure than from those accounts it charges a fee unrelated to performance. As a result, such advisers may have an incentive to direct the best investment ideas to, or to allocate or sequence trades in favor of, the account that pays a performance fee.

Clients should be aware that the performance-based fee arrangement may create an incentive for AIP to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. To address this potential conflict, AIP employs a conviction-based approach when determining investment allocations. Rather than equally weighting each investment, factors such as perceived organizational risk, team risk, strategy risk and legal risk in comparison to the potential return and diversification benefits associated with a strategy will heavily influence commitment amounts to each Underlying Fund. In cases where the risks are determined to be relatively low, allocations will typically be larger. In cases where greater risk is determined to exist, allocations will typically be smaller. Managing Members of AIP have substantial investments in Investment Fund Clients, which should mitigate the incentive for AIP to recommend riskier investments. In the case of ARA I, Managing Members have investments in ARA I as limited partners and through affiliation with the ARA I General Partner. In the case of ARA II, Managing Members have investments in ARA II through affiliation with the ARA II General Partner.

Performance-based fees will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations. To qualify for a performance-based fee arrangement, a client (or Investment Fund Client Limited Partner, as applicable) must generally either demonstrate a net worth of at least \$2,000,000 or must have at least \$1,000,000 under management with AIP or meet certain other requirements

Current and prospective investors in Investment Fund Clients should refer to the private placement memorandum or other offering documents of the respective Investment Fund Client for detailed information with respect to the fees they may pay in connection with an investment in such Investment Fund Client. The information contained herein is a summary only and is qualified in its entirety by such documents.

Item 7 Types of Clients

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

AIP generally provides advice to pooled investment vehicles whose interests are offered in reliance upon various exemptions available under the securities laws for privately offered securities. Currently, AIP's clients are ARA I and ARA II, both closed-end fund of funds. AIP manages the Investment Fund Clients on a discretionary basis in accordance with the terms and conditions of the respective private placement memorandum and organizational documents.

Interests in Investment Fund Clients are offered only to qualified investors that meet certain financial criteria and suitability requirements. Investment Fund Clients require an initial minimum investment of \$1,000,000, which requirement may be lowered in the sole discretion of the respective Investment Fund Client General Partner.

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that *clients* should be prepared to bear.

In formulating investment advice or managing assets for Investment Fund Clients, AIP employs an opportunistic approach to investing and embraces a broad definition of real assets, encompassing both established and emerging real assets categories and strategies. Investment Fund Clients operate as fund of funds, investing capital in funds and other investment vehicles (the “Underlying Funds”) which in turn make investments in real assets and related sectors.

AIP considers investments in any geography, strategy or category of real assets and related sectors that can be reasonably expected to provide a combination of the following:

- Attractive absolute and relative return potential
- Diversification relative to other asset classes
- A hedge against inflation
- A store of value in a crisis

AIP generally focuses on three primary industry sectors for Investment Fund Client investments: oil and natural gas, metals and minerals, and agriculture and timber. AIP will also opportunistically consider the following: traditional and alternative energy assets, infrastructure and capital assets, water and other investments. AIP will avoid strategies that focus on or are dependent upon technological innovation to achieve targeted returns and will not consider investments in commercial or residential real estate.

AIP’s investment process consists of the following activities: (i) investment identification, (ii) investment evaluation, (iii) portfolio construction, and (iv) investment monitoring.

In evaluating securities, the main sources of information used by AIP include, but are not limited to, discussions with general partners of private placement vehicles, materials provided by other private placement vehicles, including their private placement memoranda, limited partnership agreements (or similar governing documents) and relevant subscription documents, and information requested by AIP and delivered by the general partners (or their equivalent) of such vehicles.

Investing in securities involves risk of loss that clients should be prepared to bear. Purchases of interests in Investment Fund Clients are suitable only for persons of substantial financial means who can make a long-term investment, can bear the risk of loss of their entire investment in Investment Fund Clients and have no need for liquidity of their investment.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

As described above, AIP’s investment strategy for Investment Fund Clients is generally to invest in Underlying Funds that are focused on three primary industry sectors: oil and natural gas, metals and minerals, and agriculture and timber. Particular risks are generally associated with investments in natural resources, including the following:

- Volatility of pricing in the oil and gas markets that could affect valuation of investments
- Operating risks and hazards in the energy industry, such as unusual or unexpected geologic formations, pressures, downhole fires, mechanical failures, blow-outs, cratering, explosions, pipe failure, uncontrollable flow of oil, gas or well fluids and pollution and other environmental risks such as waste-water disposal and

water contamination related to hydraulic fracturing

- Extensive federal and state regulations of the oil and gas industry and agricultural industry
- Volatile prices in the metals and minerals sector that have historically fluctuated
- Operational hazards in the mining industry
- Complex and evolving laws and regulations in the mining industry that may impose substantial costs
- Wide fluctuations in the availability and price of agricultural commodities
- Agricultural production and trade flows are subject to government policies and regulations
- Product liability claims regarding food products sold for human consumption
- Underlying Funds may use, or may invest in companies that use, herbicides and other hazardous substances in the operation of their business
- Competitiveness of the timberlands business from wood and non-wood products and the fluctuating nature of the values of timberlands
- Long-term timber supply contracts could limit the ability to capitalize on favorable short-term spot market opportunities
- Numerous regulations relating to timber properties to protect the environment and otherwise manage forest activities
- Natural causes of disaster than are not insured, such as fire and severe weather
- Timing of revenue recognition associated with timber cutting contracts may result in fluctuations in the Underlying Fund's, and thereby impact the Investment Fund Client's, operating results

Investment Fund Clients may also consider investments in non-natural resource real property investments, such as traditional or alternative energy assets, capital assets and infrastructure, and emerging natural resource and other sectors, such as water and mitigation banking. Investments made by Underlying Funds in these sectors will be exposed to many risks similar to those described above, in addition to a variety of other risks, including counterparty contract risk, greater than expected asset depreciation, greater leverage, heavy dependence on regulatory support and less developed laws in the event of disputes.

Current and prospective investors in Investment Fund Clients should refer to the respective private placement memorandum for information regarding these and other risks associated with an investment in the Investment Fund Client.

Certain risks are also associated with AIP's strategy of investing Investment Fund Client assets in Underlying Funds. Many of the investments made by Underlying Funds will be highly illiquid and the Underlying Fund may not be able to realize such investments at attractive prices or that the Underlying Funds will be able to effect a successful realization or "exit" strategy from their investments. Capital and profits, if any, from an investment will generally only be realized upon the partial or complete disposition of the investment. An Underlying Fund may also acquire securities or assets that cannot be sold except pursuant to a registration statement filed under the Securities Act of 1933, as amended (the "Securities Act"), or in a private placement or other transaction exempt from registration under the Securities Act. Additionally, an Underlying Fund may acquire securities or assets that are subject to contractual or other restrictions on transfer, such as limited partnership interests that may only be transferred with the consent of the limited partnership's general partner.

Through its investment in the Underlying Funds, Investment Fund Clients have investments that are sensitive to movements in the overall economy or in certain industrial or economic sectors. In addition, the market values of these investments may be affected adversely by general securities market conditions or by factors specific to such investments. The returns of Investment Fund Clients will depend in large part on the efforts and performance results obtained by the general partners and managers of the Underlying Funds. Although AIP will attempt to evaluate each such Underlying Fund based on criteria such as the performance history of such fund or its general partner, as well as such fund's investment strategy, the past performance of an Underlying Fund and its general partner or manager may not be a reliable indicator of future results. The general partner or manager, their key personnel or the investment strategy of such Underlying Fund, may change at any time without the consent of Investment Fund Clients. The Underlying Fund may participate in a limited number of portfolio investments and, as a consequence, the aggregate return of the Underlying Funds may be substantially adversely affected by the unfavorable performance of even a single portfolio investment. Similarly, Investment Fund Clients will invest in a limited number of Underlying Funds and, as a consequence, the aggregate return of an Investment Fund Client may be

substantially adversely affected by the unfavorable performance of even a single Underlying Fund. Investment Fund Clients are also subject to certain tax risks.

Current and prospective investors in Investment Fund Clients should be aware of additional risks, restrictions on withdrawals and redemptions and other important information associated with investment in Investment Fund Clients. This information is outlined in the private placement memorandum, limited partnership agreement and subscription documents of the respective Investment Fund Client.

Prospective investors should refer to the private placement memorandum, limited partnership agreement and subscription documents of the respective Investment Fund Client for information regarding these important additional considerations.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

As described above, Investment Fund Clients invest assets in the securities of Underlying Funds. Such securities typically take the form of limited partnership or limited liability company interests. Given that Investment Fund Clients, as holders of such interests, do not have an active role in the management of the Underlying Funds, the returns of the investments in Investment Fund Clients will primarily depend on the performance of these unrelated investment teams. Although representatives of AIP may serve on advisory boards of Underlying Funds, the Investment Fund Clients have no control over the investment policies of the Underlying Funds and only have limited access to information concerning the Underlying Funds' investments and other matters. As a result, AIP may not be in a position to protect the value of Investment Fund Client investments in the Underlying Funds, and it is unlikely that Investment Fund Clients will be able to redeem or withdraw from an Underlying Fund once a commitment has been made. In addition, the managers of such Underlying Funds may have economic or business interests or goals that are inconsistent with those of Investment Fund Clients.

Prospective investors should refer to the private placement memorandum, limited partnership agreement and subscription documents of the respective Investment Fund Client for additional information with respect to such risks.

Item 9 Disciplinary Information

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

AIP does not have any legal or disciplinary events to report. AIP is obligated to disclose any legal or disciplinary events that would be material to our clients' or prospective clients' evaluation of AIP's advisory business or the integrity of our management.

A. If you or any of your *management persons* are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Not applicable.

B. If you or any of your *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Not applicable.

C. Describe any relationship or arrangement that is material to your advisory business or to your *clients* that you or any of your *management persons* have with any *related person* listed below. Identify the *related person* and if the relationship or arrangement creates a material conflict of interest with *clients*, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

With respect to Item 10.C.11, AIP and its management persons established the Investment Fund Clients and certain limited liability companies through which the Investment Fund Clients make certain of their investments. AIP does not consider this arrangement to create a material conflict of interest with its Investment Fund Clients.

AIP’s affiliates, principals and employees may from time to time purchase interests in certain Investment Fund Clients, and investments by such parties generally are not subject to the management fees or performance-based fees described in Item 5, above.

D. If you recommend or select other investment advisers for your *clients* and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

Not applicable.

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any *client* or prospective *client* upon request.

AIP has adopted a Code of Ethics which sets forth ethical standards of business conduct that AIP requires for its supervised persons, including compliance with applicable federal and state securities laws. AIP's Code of Ethics stresses that no person employed by AIP or otherwise subjected to its supervision shall prefer his/her own interests to those of Investment Fund Clients. The firm's Code of Ethics also prohibits the use of material non-public information. To supervise compliance with its Code of Ethics, AIP requires anyone associated with this advisory practice with access to advisory recommendations, client holdings or other specified information to provide annual securities holdings reports and quarterly transaction reports of all reportable transactions to the firm's Chief Compliance Officer, and requires employees to report political contributions on a regular basis. AIP's Code of Ethics also provides for sanctions when appropriate.

A copy of the Code of Ethics is made available to each newly hired supervised person. Each supervised person must acknowledge receipt of the Code of Ethics upon hire and annually return a signed certification of compliance with the Code of Ethics.

Personal Trading

The Code of Ethics places restrictions on the personal trading of employees. AIP's Code of Ethics requires all supervised persons of AIP to provide initial and annual holdings reports and quarterly transaction reports to AIP's Chief Compliance Officer. This enables AIP to monitor inappropriate trading by its supervised persons, including the buying and selling of securities contemporaneously with client transactions (i.e., front running). Since Investment Fund Clients primarily invest in limited partnership and limited liability company interests in Underlying Funds, and Underlying Funds generally make direct investments in real assets and related sectors, AIP considers the likelihood of such inappropriate trading to be low. Pre-clearance from AIP's Chief Compliance Officer or his designee is required for certain transactions in securities.

Prohibition Against Insider Trading; Privacy

AIP maintains a Prohibition Against Insider Trading Policy that includes policies and procedures prohibiting the use of material non-public information that are designed to prevent the misuse of material, nonpublic information by AIP and its supervised persons. In accordance with these policies, to prevent trading of public securities based on material, non-public information, AIP may place certain securities on a "restricted" securities list. Companies about which a significant number of supervised persons are expected regularly to have material, non-public information are generally placed on the restricted list. While an issuer is on the restricted list, AIP and each person subject to the Prohibition Against Insider Trading Policy is prohibited from purchasing, selling or recommending the purchase or sale of that issuer's securities in personal accounts and AIP's Investment Fund Client accounts. AIP may place certain securities on a "watch list" when a limited number of supervised persons possess material, non-public information about such securities.

AIP has a separate privacy policy designed to protect the security, confidentiality, and integrity of non-public, personal information of its clients.

Political Contributions

AIP prohibits its employees from making or soliciting a political contribution for the purpose of influencing the official conduct of any elected official. The Code of Ethics includes specific limitations as to whom employees may make contributions and the amounts of such contributions, as well as preclearance requirements for political contributions.

Clients or prospective clients may obtain a copy of AIP's Code of Ethics upon request by contacting David Rhoades,

Chief Compliance Officer of AIP, at 720-961-4190 or info@aetherip.com.

Allocation of Investment Opportunities

During a certain exclusivity period as described in the offering documents for ARA II, in allocating investment opportunities among ARA II and any other Investment Fund Clients with similar investment objectives and strategies, AIP will give investment priority to ARA II; *provided, however*, that if ARA I has capital available for investment, ARA I will first receive its full investment allocation, as determined in the reasonable discretion of AIP. Subject to the foregoing, the ARA II General Partner will, in its reasonable discretion, allocate investment opportunities in a manner equitable to ARA II and such other Investment Fund Clients.

B. If you or a *related person* recommends to *clients*, or buys or sells for *client* accounts, securities in which you or a *related person* has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Examples: (1) You or a *related person*, as principal, buys securities from (or sells securities to) your *clients*; (2) you or a *related person* acts as general partner in a partnership in which you solicit *client* investments; or (3) you or a *related person* acts as an investment adviser to an investment company that you recommend to *clients*.

AIP, its principals and other related persons may invest in Investment Fund Clients. Further, it is anticipated that the Investment Fund Client General Partners and their affiliates will collectively contribute at least 1% of Investment Fund Client aggregate commitments and the principals and certain related persons will participate in the Investment Fund Client General Partners' investments. AIP does not consider these investments to present any conflict of interest as AIP, its principals and its other related persons will not purchase the same securities as Investment Fund Clients outside of the Investment Fund Client investment structure, and they will not in any other way compete with Investment Fund Clients in connection with limited investment opportunities.

The ARA I General Partner, an entity under common control with AIP, is the general partner of ARA I and ARA I is the sole member of Aether Real Assets I, LLC, a special purpose vehicle through which ARA I makes certain of its investments. The ARA II General Partner, an entity wholly owned by AIP, is the general partner of ARA II and ARA II is the sole member of Aether Real Assets II, LLC, a special purpose vehicle through which ARA II makes certain of its investments. AIP does not consider these arrangements to create any conflicts of interest.

The fact that AIP's related persons, in their capacities as general partners of certain Investment Fund Clients, and AIP's principals, employees and other related persons have financial ownership interests in Investment Fund Clients creates a potential conflict in that it could cause AIP to make different investment decisions than if such parties did not have such financial ownership interests. AIP may have an incentive to favor accounts in which such persons have an interest with respect to allocation of investment opportunities.

AIP has adopted stringent rules to detect and prevent conflicts of interest that arise when AIP's related persons own, buy or sell securities. The Code of Ethics requires AIP employees to place the interests of clients first, and on an annual basis each AIP supervised person must certify that he or she has read and understands the Code of Ethics and has complied with its provisions. Each supervised person of AIP is required to adhere to AIP's personal trading rules. Pre-clearance from AIP's Chief Compliance Officer or his designee is also required for certain transactions in securities. AIP's personal trading requirements are described in Item 11.A.

C. If you or a *related person* invests in the same securities (or related securities, *e.g.*, warrants, options or futures) that you or a *related person* recommends to *clients*, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

AIP, its principals and other related persons may invest in Investment Fund Clients as Investment Fund Client Limited Partners, giving each of them an indirect interest in securities of Underlying Funds in which Investment Fund Clients invest. AIP does not consider these investments to present any conflict of interest as AIP, its principals and its other related persons will not purchase the same securities as Investment Fund Clients outside of the

Investment Fund Client investment structure, and they will not in any other way compete with Investment Fund Clients in connection with limited investment opportunities.

D. If you or a *related person* recommends securities to *clients*, or buys or sells securities for *client* accounts, at or about the same time that you or a *related person* buys or sells the same securities for your own (or the *related person's* own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Please refer to Items 11.A, 11.B and 11.C.

A. Describe the factors that you consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

AIP is granted the discretionary authority in the relevant organizational and offering documents of Investment Fund Clients to determine which securities and the amounts of securities that are to be bought or sold for Investment Fund Clients as well as the broker dealer to be used and the commission rates to be paid by Investment Fund Clients.

Due to the nature of its investment model, AIP will generally not use retail broker dealers to invest in private placement funds. Depending on the specific circumstances surrounding an investment opportunity, AIP may either subscribe to a private placement fund through direct solicitation of its general partner or by responding to a solicitation by a finder. Typically, due to the limited nature of the investment opportunities sought, multiple subscription sources or multiple finders will not be available, and AIP may not be able to negotiate finder fees, if any.

As part of its due diligence, AIP will also ensure, when appropriate, that any third party money managers or private placement funds selected to manage any portion of Investment Fund Client assets have adopted written policies and procedures reasonably designed to ensure that the firm will obtain best execution for client trades and that the money manager or private placement fund endeavors to select brokers or dealers that will provide the best services at the lowest commission rates possible under the circumstances.

If ever a circumstance arises where AIP has the ability to select the broker dealer used to implement any Investment Fund Client transactions, AIP will consider such factors as price, the ability of the broker to effect transactions, the broker's facilities, reliability and financial responsibility and the provision of other services that are of benefit to Investment Fund Clients, AIP and its affiliates. Investment Fund Clients may pay commissions to such brokers in an amount greater than the amount another firm might charge.

1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with *client* securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.

Not applicable.

a. Explain that when you use *client* brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

Not applicable.

b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your *clients'* interest in receiving most favorable execution.

Not applicable.

c. If you may cause *clients* to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

Not applicable.

d. Disclose whether you use soft dollar benefits to service all of your *clients'* accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to *client* accounts proportionately to the soft dollar credits the accounts generate.

Not applicable.

e. Describe the types of products and services you or any of your *related persons* acquired with *client* brokerage commissions (or markups or markdowns) within your last fiscal year.

Not applicable.

f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

Not applicable.

2. Brokerage for *Client* Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a *related person* receives *client* referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

Not applicable.

a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving *client* referrals, rather than on your *clients'* interest in receiving most favorable execution.

Not applicable.

b. Explain the procedures you used during your last fiscal year to direct *client* transactions to a particular broker-dealer in return for *client* referrals.

Not applicable.

3. Directed Brokerage.

a. If you routinely recommend, request or require that a *client* direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their *clients* to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of *client* transactions, and that this practice may cost *clients* more money.

Not applicable.

b. If you permit a *client* to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of *client* transactions. Explain that directing brokerage may cost *clients* more money. For example, in a directed brokerage account, the *client* may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the *client* may receive less favorable prices.

Not applicable.

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various *client* accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to *clients* of not aggregating.

Due to the nature of AIP's investment model, which involves the purchase of privately offered interests in Underlying Funds, the opportunity for aggregating the purchase or sale of securities for client accounts is not available.

A. Indicate whether you periodically review *client* accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the *supervised persons* who conduct the review.

Reviews of Underlying Funds' investments, dispositions, valuations and other information are generally made no less frequently than quarterly by Troy Schell (Managing Member), Sean Goodrich (Managing Member) or any other investment professional they may so designate (any such individuals generally having the title of Investment Analyst or higher). Accounts of Investment Fund Clients (i.e. accounts that hold cash or assets other than Underlying Fund limited partnership interests, limited liability company interests or other private securities) are generally reviewed quarterly by Troy Schell, Sean Goodrich or David Rhoades (Chief Compliance Officer).

B. If you review *client* accounts on other than a periodic basis, describe the factors that trigger a review.

Additional reviews may be triggered by material changes in variables such as Investment Fund Clients' specific circumstances; organizational, personnel or strategy changes of Underlying Funds; or the market, political or economic environment. In addition to the initial due diligence process related to Underlying Funds, AIP conducts periodic reviews of Underlying Funds selected for Investment Fund Clients.

C. Describe the content and indicate the frequency of regular reports you provide to *clients* regarding their accounts. State whether these reports are written.

The Investment Fund Client General Partners furnish to the Investment Fund Client Limited Partners, as soon as practicable after the end of each taxable year (or as otherwise required by law), written annual reports, financial statements audited by Investment Fund Clients' independent auditors and such tax information as is necessary for each Investment Fund Client Limited Partner to complete federal and state income tax or information returns, along with any other tax information required by law. The Investment Fund Client General Partners also furnishes to the Investment Fund Client Limited Partners written unaudited financial statements and quarterly reports as soon as practicable after the end of the first, second and third calendar quarters. The Investment Fund Client General Partner selects the Investment Fund Client's independent auditor in its sole discretion.

A. If someone who is not a *client* provides an economic benefit to you for providing investment advice or other advisory services to your *clients*, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

AIP does not receive any monetary compensation or any other economic benefit from a non-client for AIP's provision of investment advisory services to a client.

B. If you or a *related person* directly or indirectly compensates any *person* who is not your *supervised person* for *client* referrals, describe the arrangement and the compensation.

Not applicable.

If you have *custody of client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

AIP and its related persons serving as general partners to, or managing members of, Investment Fund Clients are deemed, under federal securities laws, to have custody of Investment Fund Client assets by virtue of their status as investment manager, general partner or managing member, respectively. AIP and such related persons do not have actual physical custody of any Investment Fund Client assets; rather, all such assets are held in the name of each of the applicable Investment Fund Clients by an independent qualified custodian. Such Investment Fund Clients are typically audited annually, and investors receive annual financial statements, as required by applicable law.

The qualified custodian for Investment Fund Clients is Silicon Valley Bank, 3003 Tasman Drive, Santa Clara, CA 95054.

If you accept *discretionary authority* to manage securities accounts on behalf of *clients*, disclose this fact and describe any limitations *clients* may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Please refer to Item 4 for information regarding AIP's discretionary authority to manage securities accounts on behalf of clients.

Investment Fund Client investors typically execute a subscription agreement and partnership agreement in connection with their investments that each contain a power of attorney granting the general partner of the Investment Fund Client certain powers related to the orderly administration of the affairs of the Investment Fund Client.

A. If you have, or will accept, authority to vote *client* securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your *clients* can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your *clients* with respect to voting their securities. Describe how *clients* may obtain information from you about how you voted their securities. Explain to *clients* that they may obtain a copy of your proxy voting policies and procedures upon request.

AIP, as a matter of policy and as a fiduciary to its clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of its clients. Given that all current and future Investment Fund Clients are or are expected to be structured as funds of funds, in most cases the duty to vote proxies will rest with Underlying Fund managers. Nonetheless, the obligation for AIP to vote proxies may arise from time-to-time. Accordingly, AIP maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about AIP's proxy policies and practices. If proxy voting guidelines have been issued by a client, AIP will vote proxies consistent with such guidelines.

AIP votes proxies related to securities held by any client in a manner solely in the interest of the client. AIP considers only those factors that relate to the client's investment, including how the vote will economically impact and affect the value of the client's investment. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management and maintain or increase the rights of shareholders. Proxy votes generally will be cast against proposals having the opposite effect. In certain circumstances, AIP may determine that it is in the best interests of its clients not to vote or consent or that a vote or consent is not required.

If AIP determines that a material conflict may exist between clients' interests and AIP's interest or between two or more clients' interests, Troy Schell, Sean Goodrich and David Rhoades together will determine the appropriate course of action.

If AIP's clients request information regarding how proxies or consents were voted in a specific situation, the Chief Compliance Officer will respond in writing to such client.

AIP's clients may obtain a copy of AIP's proxy voting policies and procedures by contacting David Rhoades at 720-961-4190 or info@aetherip.com.

B. If you do not have authority to vote *client* securities, disclose this fact. Explain whether *clients* will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) *clients* can contact you with questions about a particular solicitation.

Not applicable.

A. If you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, include a balance sheet for your most recent fiscal year.

Not applicable.

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

2. Show parenthetically the market or fair value of securities included at cost.

3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.

B. If you have *discretionary authority* or *custody* of *client* funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to *clients*.

AIP is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Investment Fund Clients.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

AIP has not been the subject of a bankruptcy petition at any time during the past ten years.