

Form ADV Part 2A: Firm Brochure

BP Capital Energy Advisors, LLC

8117 Preston Road

Suite 260

Dallas, Texas 75225

Firm Contact

Drew A. Campbell – Chief Compliance Officer

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This brochure provides information about the qualifications and business practices of BP Capital Energy Advisors, LLC (the “Advisor”). If you have any questions about the contents of this brochure, please contact us at (214) 265-4165. 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. Additional information about the Advisor is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The following is a summary of the material changes made to this brochure since its last update:

- (i) Item 4 has been updated to reflect BP Energy Partners, LLC’s ownership of 50% of the Advisor.
- (ii) Item 10 has been updated to reflect the financial industry affiliations of one of our supervised persons.

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Item 4 – Advisory Business

The Advisor was established and registered with the SEC in 2013 as a registered investment adviser. It is affiliated with BP Capital LP (“BP Capital”), an investment firm that primarily invests in the energy sector. BP Capital was formed in 1997 by T. Boone Pickens, a leading figure in the U.S. energy industry (“Mr. Pickens”). The Advisor provides investment advisory services on a discretionary basis to BP Natural Gas Opportunity Partners, L.P. (together with any alternative investment vehicle or parallel fund which may be formed in connection therewith, the “Fund”). The Fund is a private equity fund focused on middle-market, natural gas-related investments in the United States, Canada, Mexico and Puerto Rico (herein collectively referred to as “North America”).

An affiliate of the Advisor, BP Natural Gas Partners, LLC, a Delaware limited liability company (the “General Partner”), acts as general partner of the Fund. The General Partner is registered with the SEC by way of and in reliance upon the registration of the Advisor. The Advisor and the General Partner are filing a single form ADV based upon the SEC’s expressed position in the American Bar Association No-Action Letter published on January 18, 2012.

The General Partner is owned 50% by Mr. Pickens (through TBP Equity Partners LLC). Mr. Pickens or his affiliates will make a general partner commitment to the Fund in the amount of \$3 million and a limited partner commitment to the Fund equal to the lesser of (i) 10% of the total commitments made by the investors to the Fund, and (ii) \$47 million.

The Advisor is owned 50% by Mr. Pickens (through TBP Energy Advisors LLC) and 50% by BP Energy Partners, LLC, a Delaware limited liability company (“BPE”). It is anticipated that BPE will provide the Advisor with certain staffing and administrative services (*e.g.*, furniture, fixtures and equipment, intellectual property, leased office space) which BPE may ultimately acquire through a services agreement BP Capital. Aleksander Szewczyk and Michael Watzky serve as the Managing Partners of the Advisor, and are responsible for the daily management of the Fund. Mr. Pickens will serve as Chairman of the Advisor. In addition to Mr. Watzky and Mr. Szewczyk, the senior management of the Advisor includes Lee “Cole” Robertson, Drew A. “Sandy” Campbell and Loren J. Soetenga. The Advisor has adopted information barrier policies and other policies designed to assure compliance with law. These policies may inhibit certain information sharing (or the ability to use certain information shared) among the Advisor, BP Capital or other affiliates.

The Advisor presently provides investment advice only to the Fund and, as such, does not tailor its advisory services or investment objectives or strategies to the requests or needs of individual investors in the Fund, nor does it accept underlying investment restrictions from individual investors in the Fund. With respect to the Fund, its current confidential offering memorandum lays out the investment strategy and guidelines, including any restrictions and the ability to vary therefrom, and the Advisor then seeks to locate assets for the Fund that are within such guidelines and consistent with the overall portfolio needs of the Fund. For more detailed information regarding such restrictions, please refer to the Fund’s current confidential offering memorandum.

As of March 31, 2014, the Advisor has approximately \$72 million in regulatory assets under management, all of which are managed on a discretionary basis. For purposes of calculating this amount, the Advisor includes unfunded capital commitments to the Fund.

The General Partner will establish a Limited Partner Advisory Committee (the “LPAC”) composed of not less than three and not more than seven representatives of selected limited partners (or investors in any parallel fund or alternative investment vehicle). The LPAC will provide advice and counsel as requested by the General Partner in connection with potential conflicts of interest and other matters related to the Fund. The General Partner will retain ultimate responsibility for all decisions relating to the operation and management of the Fund, including, but not limited to, investment decisions.

Item 5 – Fees and Compensation

The Advisor and the General Partner charge carried interest, management fees and other fees to the Fund. The specific payment terms and other conditions of the management fee and carried interest compensation are set forth in the relevant confidential offering memorandum and governing documents of the Fund. Only “qualified purchasers,” as defined in the Investment Company Act of 1940, as amended, are permitted to invest in the Fund.

Until the Fund makes its first investment, the management fee will be paid directly by limited partners to the Advisor. After the first investment, the management fee will be paid to the Advisor by the Fund out of capital contributions from the limited partners. The management fee may also be paid out of the limited partners’ share of investment proceeds and income from temporary investments. The Fund will bear all costs and expenses incurred in connection with the organization of the Fund and the General Partner, including legal and accounting fees, printing costs, travel and out-of-pocket expenses, and all costs and expenses incurred in connection with the offering of limited partner interests in the Fund (“Interests”), up to a maximum of \$1.5 million (collectively, “Organizational Expenses”). Subject to the foregoing dollar limitation, the Fund will reimburse the General Partner and the Advisor for any Organizational Expenses funded by them. Placement agent fees will not be subject to the limitation on Organizational Fees. Any placement or similar fees payable to any placement agent in connection with the offering of Interests will be borne by the General Partner and the Advisor and either paid by them or paid by the Fund (with a corresponding dollar for dollar reduction of the management fee).

The Fund will be responsible for all expenses relating to its own operations (“Fund Expenses”), including fees, costs and expenses directly related to the purchase, maintenance and sale of investments, expenses of custodians, counsel and accountants, any insurance (including without limitation any E&O or similar insurance coverage), indemnity or litigation expenses, all costs of the Fund’s administration, including preparation of its financial statements and reports to limited partners, costs of holding any meetings of Partners or the LPAC, brokerage costs and any taxes, fees, or other governmental charges levied against the Fund. For additional information on brokerage matters, see “Item 12 – Brokerage Practices” below.

In addition, the Fund will be responsible for all due diligence and other costs of investigating investments and potential investments, including any fees and expenses due any legal, financial,

accounting, engineering, consulting, or other advisors or any lenders, investment banks and other financing sources in connection with transactions (regardless of whether such transactions are consummated). Out-of-pocket expenses associated with completed transactions generally will be reimbursed from the proceeds of the investments or capitalized as part of the acquisition price of the transaction. The Fund will reimburse the General Partner and the Advisor for any Fund Expenses funded by them.

The General Partner and the Advisor will be responsible for all of their day-to-day operating expenses, including office overhead and compensation of employees. Such day-to-day operating expenses of the General Partner and the Advisor will be funded with the proceeds of the management fee.

In connection with the Fund and its investments, the General Partner or the Advisor may receive transaction, directors', consulting, management, investment banking, monitoring, closing, topping, break-up, and other similar fees ("Other Fees"). 100% of such Other Fees will be applied to reduce the management fee for the following quarterly period. To the extent such offsets would reduce the management fee for a given quarterly period below zero, such offsets will be carried forward and reduce future installments of the management fee.

Item 6 – Performance-Based Fees and Side-by-Side Management

As indicated above, the General Partner has entered into a carried interest, or performance fee, arrangement with the Fund. The performance fee payable to the General Partner may create an incentive for the Advisor to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. The Advisor does not advise any clients that do not pay both a performance-based fee and an asset-based fee, as described above.

Item 7 – Types of Clients

The Advisor's services are provided to the Fund, in which institutional investors and high net-worth individuals may participate. Only "qualified purchasers," as defined in the Investment Company Act of 1940, as amended, are permitted to invest in the Fund. The Fund has a minimum commitment of \$5 million. Commitments of lesser amounts may be accepted at the discretion of the General Partner.

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

The Fund intends to invest in natural gas opportunities across the United States, Canada and Mexico:

- demand side energy substitution in transportation, manufacturing, basic industry and power generation;

- supply side natural gas acquisition and development of conventional and unconventional natural gas (and NGLs) reserves, resources and production; and
- related natural gas opportunities such as high return infrastructure and specialized services.

The Fund will focus on investments in which it can gain control over the targeted asset or enterprise, and the Advisor uses qualitative and quantitative analysis in its investment decision-making process. The investment strategy of the Fund is more fully described in the Confidential Offering Memorandum for the Fund.

Certain Risk Considerations

Investing in securities involves risk of loss that investors should be prepared to bear, ***including the risk of loss of the entire investment***. The following does not purport to be a complete explanation of the risks involved in an investment in the Fund. No assurance exists that the Fund will achieve its investment objective. Purchase of an Interest in the Fund is not intended as a comprehensive investment program.

General Risk Factors of Significant Investment Strategies

Nature of Investments. There may be little or no cash flow available to the limited partners. Since the Fund may only make a limited number of investments and since many of the investments may involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to limited partners. The Fund's investors will not have an opportunity to evaluate specific assets prior to investing. Additionally, it should be noted that past performance is not a guarantee of future results.

Diverse Investor Base. The Fund's investors may include taxable and tax-exempt entities and may include persons or entities organized in multiple jurisdictions. The various types of investors may have conflicting investment, tax, and other interests with respect to their investment in the Fund. When considering a potential investment, the Fund's management will generally consider the investment objectives of the investors as a whole, not the investment objectives of any investor individually. Consequently, the Fund's management may make decisions from time to time that may be more beneficial to one type of investor than another.

Difficulty of Locating Suitable Investments. The Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives.

Reliance on Key Persons. The success of the Fund is substantially dependent on certain key individuals. Should one or more key individuals become incapacitated or in some other way cease to participate in the Fund, its performance could be adversely affected.

Leverage and Interest Rates. Some of the investments may utilize a leveraged capital structure, in which case a third party could be entitled to cash flow generated by such investments prior to the Fund receiving a return. Fluctuations in interest rates may adversely affect the ability of the Fund to successfully acquire investments and may also adversely affect the performance of the investments. Use of borrowed funds to leverage acquisitions involves a high degree of financial risk and can exaggerate the effect of any increase or decrease in value.

Delay in Acquiring Investments. As proceeds of the Fund's offering become available, the Fund will work promptly toward acquiring investments to satisfy its investment requirements. However, the Fund's exact timing of acquisition of investments cannot be predicted with certainty. Delays in acquiring investments could, in turn, result in delays in the resale of such investments, and in turn, negatively impact the investment return for the Fund.

Income Without Cash. Under the method by which income and gain are allocated among the Fund's partners, it is possible that a partner may receive an allocation of income and gain from the Fund without receiving a corresponding distribution of cash. Thus, a partner may be forced to pay taxes on income and gain for which it has not yet received a distribution.

Illiquid Investments. Because of the limitation on withdrawal rights and the fact that the Interests are not tradable or freely transferable, an investment in the Fund is a relatively illiquid investment and involves a high degree of risk. An investment in the Fund should be considered only by investors financially able to maintain their investment and who do not anticipate any short-term need for their funds.

Energy-Related Risk Factors

A significant portion of the Fund's investment activities will be focused on energy substitution (demand side) opportunities within industries such as transportation, basic industry, manufacturing, and power generation. The use of natural gas as an energy substitute can be influenced by a number of factors, including:

Limited Infrastructure For Use of Natural Gas in the Transportation Sector. Investment opportunities involving the use of natural gas in the form of compressed natural gas (CNG) or liquid natural gas (LNG) as a transportation fuel (displacing gasoline and diesel) may be materially impacted by the limited infrastructure currently in place to support vehicles utilizing CNG or LNG. A number of structural factors within the transportation sector may impede the success of investments in energy substitution enterprises, including:

- Automobile and engine manufacturers currently produce very few originally manufactured natural gas vehicles and engines for the North American market.
- The infrastructure to support gasoline and diesel consumption is vastly more developed than the infrastructure for natural gas vehicle fuels.
- Conversion of vehicles to run on natural gas is time-consuming and expensive and may limit increased use of CNG or LNG in the transportation sector.

Limited Availability of LNG in North America. Production of LNG in North America is fragmented and limited. The execution of the Fund's investment strategy relating to energy substitution opportunities will require, in part, substantial growth in the available LNG supply across North America, and if this supply is unavailable, it may adversely affect the Fund's investments in this sector.

The Fund will also focus on making strategic investments in the companies and assets within the supply side of the energy industry. The revenues, income (or losses) and valuations of energy-related companies can fluctuate suddenly and dramatically due to many factors, including:

Natural Gas, NGL and Oil Prices. Natural gas, NGL and oil prices fluctuate widely, and low prices could have a material adverse impact on business, financial condition, results of operations and cash flows of the companies in which the Fund invests. The revenue, profitability and future growth of these companies depend in part on prevailing natural gas, NGL and oil prices. While prices for natural gas, NGLs and oil may be favorable at any point in time, they fluctuate widely, particularly as evidenced by price movements between 2008 and 2011. Among the factors that can cause these fluctuations are: (i) domestic and foreign demand for natural gas, NGLs and oil; (ii) the level and locations of domestic and foreign natural gas, NGLs and oil supplies; (iii) the quality, price and availability of alternative fuels; (iv) the quantity of natural gas in storage; (v) weather conditions; (vi) domestic and foreign governmental regulations; (vii) impact of trade organizations, such as OPEC; (viii) political conditions in oil, NGLs and natural gas producing regions; (ix) speculation by investors in oil and natural gas; (x) localized supply and demand fundamentals and transportation availability; (xi) technological advances affecting energy consumption; and (xii) worldwide economic conditions. Due to the volatility of natural gas and oil prices and the inability to control the factors that influence them, future pricing levels and the impact of such pricing on the Fund's investments cannot be predicted.

Commodity Pricing. Energy companies in general are directly affected by energy commodity prices, such as the market prices of crude oil, natural gas, coal and wholesale electricity, especially for those who own the underlying energy commodity. In addition, the volatility of commodity prices can affect other energy companies due to the impact of prices on the volume of commodities produced, transported, processed, stored or distributed and on the cost of fuel for power generation companies. The volatility of commodity prices can also affect energy companies' ability to access the capital markets in light of market perception that their performance may be directly tied to commodity prices. Historically, energy commodity prices have been cyclical and exhibited significant volatility. Some of the Fund's portfolio companies may engage in hedging transactions to minimize their exposure to commodity price risk. Those companies that engage in such hedging transactions remain subject to market risks, including market liquidity and counterparty creditworthiness.

Regulatory Requirements. The profitability of energy investments by the Fund could be adversely affected by changes in the regulatory environment. The businesses of energy companies are heavily regulated by federal, state and local governments in diverse matters, such as the way in which energy assets are constructed, maintained and operated and the prices energy companies may charge for their products and services. Such regulation can change over time in scope and intensity. For example, a particular by-product of an energy process may be declared hazardous by a regulatory agency, which can unexpectedly increase production costs. Moreover, many state and federal environmental laws provide for civil penalties as well as regulatory remediation, thus adding to the potential liability an energy company may face.

Hydraulic Fracturing Regulations. Various federal, state and local initiatives have been implemented or are under development to regulate or further investigate the environmental impacts of hydraulic fracturing. In particular, the Environmental Protection Agency has commenced a study to determine the environmental and health impacts of hydraulic fracturing and announced that it will propose standards for the treatment or disposal of wastewater from certain gas production operations. In July 2011, the EPA also proposed new air standards that would require measures to reduce volatile organic compound emissions at new hydraulically

fractured natural gas wells and existing wells that are re-fractured. In addition, certain municipalities and states, including Colorado, Montana, Texas and Wyoming, have adopted, or are considering adopting, regulations that have imposed, or could impose, more stringent permitting, transparency, disposal and well-construction requirements on hydraulic fracturing operations. For example, in December 2011, the Railroad Commission of Texas and the Colorado Oil and Gas Conservation Commission finalized regulations requiring public disclosure of chemicals in fluids used in the hydraulic fracturing process. Local ordinances or other regulations also may regulate or prohibit the performance of well drilling in general and hydraulic fracturing in particular. Such laws and regulations may result in increased scrutiny or third-party claims, or otherwise result in operational delays, liabilities and increased costs. Hydraulic fracturing requires significant quantities of water. Any diminished access to water for use in hydraulic fracturing, whether due to usage restrictions or drought or other weather conditions, could curtail operations or otherwise result in operations delays or increased costs. Any current or future federal, state or local hydraulic fracturing requirements applicable to an energy company's operations, or diminished access to water for use in hydraulic fracturing, could have a material adverse effect on the Fund's potential investments.

Environmental Laws, Regulations and Permits. Companies in the energy sector in which the Fund may invest are subject to stringent and complex federal, state and local environmental laws, regulations and permits relating to, among other things, the generation, storage, handling, use, disposal, gathering, transmission and remediation of natural gas, NGLs, oil and other hazardous materials; the emission and discharge of such materials to the ground, air and water; wildlife, habitat, water and wetlands protection; the storage, use, treatment and disposal of water, including process water; the placement, operation and reclamation of wells; and the health and safety of employees. These requirements may impose operational restrictions and remediation obligations. In particular, many of these requirements are intended to help preserve water resources and regulate those aspects of the companies' operations that could potentially impact surface water or groundwater. Failure to comply with these laws, regulations and permits may result in such companies being subject to litigation, fines or other sanctions, including the revocation of permits and suspension of operations, and could otherwise delay or impede the issuance or renewal of permits. The costs, liabilities and obligations relating to environmental matters could have a material adverse effect on the Fund's potential investments.

Decreases in Demand. A sustained decline in demand for crude oil, natural gas, refined petroleum products and electricity could materially affect revenues and cash flows of the Fund's investments in the energy sector. Factors that could lead to a decrease in market demand include a recession or other adverse economic conditions, increases in the market price of the underlying commodity, higher taxes or other regulatory actions that increase costs, or shifts in consumer demand for such products.

Depletion and Exploration Risk. Generally a material portion of an energy company's assets will consist of natural gas, crude oil and/or coal reserves and other commodities that naturally deplete over time. Depletion could have a material adverse impact on such company's ability to maintain its revenue. Further, estimates of energy reserves may not be accurate and, even if accurate, reserves may not be produced profitably. In addition, exploration of energy resources, especially of oil and natural gas, is inherently risky and requires large amounts of capital. Even in the event that exploration and development projects do result in meaningful additional

commercially viable proved reserves, midstream infrastructure for these proved reserves may not exist or may not be constructed, either of which could adversely impact an energy company's ability to benefit from those proved reserves. If an energy company's exploration and development efforts are unsuccessful, leases covering acreage that is not already held by production could expire. If they do expire and if such company is unable to renew the leases on acceptable terms, it will lose the right to conduct drilling activities and the resulting economic benefits associated therewith. If it is unable to develop or acquire additional proved reserves to replace its current and future production at economically acceptable terms, its business, financial condition, and results of operations would be adversely affected.

Control of Operations. Energy companies often deliver their production to market through gathering, fractionation and transportation systems that such companies do not own. The marketability of such companies' production depends in part on the availability, proximity and capacity of pipeline systems owned by third parties. A portion of their production could be interrupted, or shut in, from time to time for numerous reasons, including as a result of weather conditions, accidents, loss of pipeline or gathering system access, field labor issues or strikes, maintenance of third-party facilities or capital constraints that limit the ability of third parties to construct gathering systems, processing facilities or interstate pipelines to transport their production. Disruption of their production could negatively impact their ability to market, fractionate and deliver their production. Since the energy companies often do not own or operate these assets, their continuing operation is not within such companies' control. If any of these pipelines and other facilities becomes unavailable or capacity constrained, or if further planned development of such assets is delayed or abandoned, it could have a material adverse effect on the Fund's potential investments.

Unseasonable Weather. Unseasonable extreme weather patterns could result in significant volatility in demand for energy-related products or may directly affect the operations of individual companies. This weather-related risk may create fluctuations in earnings of energy companies.

Operational Risk. Companies in the energy sector are subject to various operational risks, such as failed drilling or well development, well blowouts, explosions, uncontrollable flows of oil, natural gas or well fluids, fires, formations with abnormal pressures, pipeline ruptures or spills, pollution, releases of toxic gas, other environmental hazards and risks, treatment plant "downtime", unscheduled outages, underestimated cost projections, unanticipated operation and maintenance expenses, failure to obtain the necessary permits to operate and failure of third-party contractors. In addition, energy companies employ a variety of means of increasing cash flow, including increasing utilization of existing facilities, expanding operations through new construction, expanding operations through acquisitions, or securing additional long-term contracts. Thus, some energy companies may be subject to construction risk, acquisition risk or other risks arising from their specific business strategies.

Delays in Obtaining Equipment. As commodity prices increase, demand and costs for drilling equipment, crews and associated supplies, equipment and services can increase significantly. We cannot be certain that in a higher commodity price environment energy companies would be able to obtain necessary drilling equipment and supplies in a timely manner, on satisfactory terms or at all, and they could experience difficulty in obtaining, or material increases in the cost of, drilling equipment, crews and associated supplies, equipment and services. In addition, drilling

operations may be curtailed, delayed or canceled as a result of unexpected drilling conditions, including urban drilling, and possible title issues. Any such shortages or delays and price increases could adversely affect an energy company's ability to execute its drilling program.

Industry Consolidation. Companies in the energy sector in which the Fund may invest will face substantial competition in acquiring properties, enhancing and developing their assets, marketing their commodities, securing trained personnel and operating their properties. Many of their competitors, including major oil companies, natural gas utilities, independent power producers and other private independent energy companies, may have financial and other resources that substantially exceed the Fund's portfolio companies. The businesses in which the Fund may invest face greater competition in the production, marketing and selling of energy products brought about in part from the deregulation of the energy markets.

Item 9 – Disciplinary Information

Neither our firm nor members of our management have ever been the subject of any legal or disciplinary event that would be material to a client's or a prospective client's evaluation of the Advisor's business or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

Mr. Pickens is (i) listed with the Commodity Futures Trading Commission ("CFTC") as a listed Principal of TBP Investments Management LLC, (ii) registered with the CFTC as an associated person and swaps associated person of TBP Investments Management LLC and (iii) an associate member of the National Futures Association.

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

The Advisor has adopted a Compliance Manual and Code of Ethics (together, the "Code of Ethics") pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), which applies to all of our supervised persons. A copy of our Code of Ethics is available upon request by contacting Drew A. (Sandy) Campbell at (214) 265-4165.

Our Code of Ethics is predicated upon the belief that our investors shall be treated with honesty and good faith, and that we shall put the interests of our investors ahead of our employees and principals, particularly where our interests may conflict with those of our investors. To that end, our Code of Ethics, among other things, requires supervised persons to comply with all applicable federal and state laws and regulations, and further imposes certain trading restrictions on persons who are likely to know about our trading activity.

We may recommend to the Fund that it buy or sell securities or other investments in which we or a related person has some financial interest. We will attempt to handle these and other conflicts of interest in a manner that we deem to be fair and equitable under the circumstances, although there can be no assurance that we will be successful in this regard.

Item 12 – Brokerage Practices

The Advisor has the authority to determine the securities or interests and the amount thereof to be bought or sold, subject to the conditions and restrictions contained in the Fund's governing documents.

Because of the nature of its investments (i.e., private equity), the Advisor does not regularly generate a substantial volume of trades through broker-dealers in order to effect its investment transactions. Often if a broker-dealer is involved, the seller or target company will be compensating the broker-dealer on terms previously agreed and the Advisor will not be making a broker-dealer selection. When more readily available securities are the subject of a trade and there is a broker selection opportunity, the Advisor will consider the following factors: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker; (iv) the broker's risk in positioning a block of securities; and (v) the competitiveness of commission rates in comparison with other brokers satisfying the our other selection criteria.

The Advisor does not use "soft dollars" to receive research or other products or services other than execution in connection with client securities transactions.

The Advisor does not engage in directed brokerage.

Because of the nature of its investments, there is generally no need for the Advisor to aggregate purchases or sales of traded securities for multiple client accounts.

Item 13 – Review of Accounts

The Advisor will actively participate on the boards of directors (or equivalent governing body) of the Fund's portfolio companies. The Advisor will monitor the financial and operating progress of the business on a current basis against plans and budgets, with more formal reviews as necessary. Such reviews will be conducted by one or more of the Advisor's officers. The Fund is audited on a yearly basis by an independent registered public accounting firm.

Certain events may require a review other than a periodic review. Such events include a transfer or withdrawal of a limited partner of the Fund or a material change in the business of a portfolio investment.

Investors in the Fund receive periodic reports (typically quarterly and annually) consistent with the requirements of the Fund's governing documents, advisory agreements and industry customs and practices. Each of the Fund's investors will receive annual audited financial statements and unaudited quarterly statements of the Fund.

Item 14 – Client Referrals and Other Compensation

We do not compensate others for client referrals. We do, however, compensate persons in connection with referring investors to the Fund, including the Fund's placement agents, Edgeline Capital, LLC and Majlis Investment Management LLC. Any such fees are borne by the Advisor or General Partner.

Item 15 – Custody

As investment adviser to the Fund, the Advisor has custody of the Fund's funds and securities through its ability to access and control these assets and withdraw them from accounts of qualified custodians. The Advisor satisfies its custody obligations by ensuring that the Fund is audited as required by the Advisers Act, and that investors in the Fund receive the financial statements resulting from such audits as required. Cash and securities (other than privately placed securities) are or will be held with a qualified custodian. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Silicon Valley Bank currently serve as qualified custodians to the Fund.

Item 16 – Investment Discretion

The Advisor has discretionary authority to manage the Fund investments pursuant to an investment management agreement with the Fund, which does not contain limitations on the Advisor's authority to manage the Fund's portfolio within the objectives set out in the applicable governing documents.

Item 17 – Voting Client Securities

As a general matter, the Advisor makes securities investment decisions based on the belief that the issuer and its management will maximize shareholder value. When it no longer believes management is able to meet this goal, it will typically sell the security or portfolio company. Therefore, as to most questions coming before shareholders, the Advisor will generally vote in accordance with management's recommendations. We anticipate that there will, however, be circumstances when we neither believe disposing of the security or portfolio company is the best course of action nor do we believe that voting in accordance with management's recommendation will be in the best interest of our clients. In those cases, we will vote against management's recommendation. Notwithstanding these general statements, each proxy is voted on a case by case basis. There may even be cases where we determine that the best course of action is not to vote a proxy.

Clients may obtain information on how their proxies were voted by contacting the Advisor. We will maintain these records for the time periods designated by applicable SEC regulations.

Item 18 – Financial Information

Registered investment advisers are required to provide you with certain disclosures about their financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and have not been the subject of a bankruptcy proceeding.