

Galapagos Partners, L.P.

**55 Waugh Drive, Suite 1130
Houston, Texas 77007-5834**

**Telephone: 713-803-4326
Fax: 713-513-5204**

www.gplp.com

February 24, 2015

**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Galapagos Partners, L.P. If you have any questions about the contents of this brochure, contact us at 713-803-4326. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Galapagos Partners, L.P. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment, dated March 5, 2014 we have made the following material changes to our Form ADV:

1. Galapagos Partners, L.P. became the adviser to our affiliated mutual fund, the Galapagos Partners Select Equity Fund.

Item 3 Table Of Contents

Item 1 Cover Page	Page 1
Item 2 Summary of Material Changes	Page 2
Item 3 Table Of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 6
Item 6 Performance-Based Fees and Side-By-Side Management	Page 7
Item 7 Types of Clients	Page 7
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 7
Item 9 Disciplinary Information	Page 9
Item 10 Other Financial Industry Activities and Affiliations	Page 9
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 10
Item 12 Brokerage Practices	Page 11
Item 13 Review of Accounts	Page 12
Item 14 Client Referrals and Other Compensation	Page 12
Item 15 Custody	Page 12
Item 16 Investment Discretion	Page 13
Item 17 Voting Client Securities	Page 13
Item 18 Financial Information	Page 14
Item 19 Requirements for State Registered Investment Advisers	Page 14
Item 20 Additional Information	Page 14

Item 4 Advisory Business

Galapagos Partners, L.P., is an SEC-registered investment adviser based in Houston, Texas. Our firm is organized as a limited partnership under the laws of the state of Texas. We have been providing investment advisory services since May of 2007. Stephen P. Lack is our principal owner.

As used in this brochure, the words "we", "our" and "us" refer to Galapagos Partners, L.P. and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We engage in multi-family office services, the goal of which is to help you structure a multi-generational family plan designed to grow, preserve and protect family assets for future generations. Our integrated suite of services combines the competencies of outside financial professionals specializing in integrated tax and estate planning, trust arrangements, risk management, family philanthropy, inheritance issues/transfer of wealth, financial and investment planning, and investment selection and monitoring. Under each of these broad categories, we offer an extensive menu of services, which are customized for each client based on a financial statement analysis with an emphasis on the family's personal balance sheet complexities and individualized needs.

We offer discretionary portfolio management services in accordance with your individual investment objectives. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment program, without obtaining your prior consent or approval for each transaction. In addition, we may be granted the authority and responsibility to perform various other functions on your behalf, including issuing custodial instructions to administer, or retain third parties to administer your assets, and to prepare reports for you. Discretionary authority is granted by the investment advisory agreement you sign with our firm, a power of attorney, and/or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines (if any) in the executed agreement for services.

We may also manage advisory accounts on a non-discretionary basis, meaning your specific consent must be granted prior to each transaction. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Predicated on suitability, we may also recommend third-party money managers and other wealth advisers (collectively "sub-adviser") for account management services. The sub-adviser may be retained to manage a portion of or your entire portfolio. In doing so, our primary objective is to align you with the appropriate sub-adviser(s) to allow you to capitalize on opportunities that will strengthen or enhance your personal wealth. Under such arrangements, we will monitor the sub-adviser's performance and we may advise you to terminate the management services with the selected sub-adviser(s) and reallocate your assets, where such action is deemed to be in your best interest. Your specific consent must be granted prior to any actual reallocation.

We will make investment decisions for your portfolio according to your stated objectives, financial circumstances, and risk tolerance. In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our

firm of any significant change in your financial circumstances or investment objectives that might affect the manner in which your account(s) should be managed. Refer to the *Other Financial Industry Activities and Affiliations* section below for disclosures on investments in our affiliated mutual fund(s).

Our advisory fees may consist of an asset-based management fee, a fixed annual retainer fee, a performance fee, or any combination thereof. Currently, our stated maximum asset-based management fee will not exceed a rate of 1.25%, payable monthly in advance based on the value of your account on the last day of the preceding year. Where a fixed annual retainer is assessed, such fees are negotiable in advance of services rendered, predicated on the scope and complexity of the requested services, and are generally payable monthly in advance. Performance compensation is negotiated on a case-by-case basis, and is payable monthly or annually in arrears. For extraordinary services rendered outside the scope of the management agreement, we may assess additional hourly fees that will be agreed to in advance of any services rendered. In special circumstances other fee paying arrangements may be negotiated, which will be clearly set forth in the executed agreement for services.

If the agreement for services is executed at any time other than the first day of a calendar month, our fees will apply on a pro rata basis. In special cases, our fees and fee paying arrangements may be negotiable; therefore, arrangements with existing clients may differ. In all such cases, the relevant fees and terms of payment will be clearly set forth in the executed agreement for services.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your designated brokerage account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. The qualified custodian has agreed to deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account including the amount of management fees paid directly to our firm. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements. Refer to the *Brokerage Practices* section below for additional disclosures.

Our agreement for services will continue in effect until terminated by either party. You may terminate the management agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the month for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

For those clients who receive an invoice from our firm, we encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this brochure.

Mutual Fund Advisory Services

We serve as the investment adviser/investment manager to our affiliated investment company, Galapagos Partners Select Equity Fund ("Fund"). Where appropriate, we will exercise our discretionary authority and without further approval from you, we will invest a percentage of your assets in the Fund. This creates a potential conflict of interest because executive officers of our firm and other persons associated with the Fund will benefit from having investors in the Fund. If you are an advisory client of our firm and an investor in the Fund, we will offset any compensation we receive from you against fees and expenses you may otherwise pay to any of our affiliates, including the Fund. You should refer to the prospectus for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the Fund. Refer to the *Investment Discretion* section below for additional disclosures on our discretionary authority to manage your investment account.

Securities held in separate accounts may also be the same securities as those purchased by the Fund.

Types of Investments/ Assets Under Management

We recommend various types of investments and we do not necessarily recommend one particular type of asset over another since each client has different needs and different tolerances for risk. When appropriate for your circumstances, we may offer advice on partnerships investing in a variety of alternative investment techniques, for example, hedge funds, real estate, operating companies, and private equity. Additionally, we may also advise you on any type of investment held in your portfolio at the inception of our advisory relationship, or on specific types of investments at your request. Each type of investment has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

As of December 31, 2014, we provide continuous management services for \$140,015,898 in client assets on a discretionary basis, and \$558,572,584 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Refer to the *Advisory Business* section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

Additional Fees and Expenses

In addition to, and exclusive of, our investment advisory fees disclosed under the *Advisory Business* section above, you will also be charged brokerage commissions, transaction fees, custodian fees and custodian charges, and other related costs and expenses for trade execution. These transaction charges are paid to, and retained by, the account custodian for its clearance and execution services. We do not receive any portion of these commissions, fees, or costs. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section below.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in shares of registered investment companies, including our affiliated mutual fund, exchange traded funds, hedge funds, and/or other specialty investments. You should be aware that such companies/investments typically assess a management fee to investors and, in certain cases, may charge administrative, servicing and/or other fees, including performance fees. Any fees paid to such companies or their affiliates are separate and in addition to our advisory fees.

If you are an investors in a private investment fund, you may pay fund administration and other incidental fees as necessary to operate the fund, and minor legal fees related to the maintenance of the fund's documents. Investors and prospective investors should refer to the fund's operating documents for a complete description of all fees associated with investing in the fund.

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

In special circumstances, we manage accounts that are charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees ("side-by-side management"). Performance-based fees and side-by-side management may create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fees may create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to address this potential conflict of interest, a senior officer of our firm periodically reviews client relationships to ensure that investments are suitable and that the relationship is being managed according to the client's investment objectives and risk tolerance.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities, such as private placements and/or specialty investments, to clients who are charged performance-based fees over clients who are charged asset based fees or fixed fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities based on suitability of the given investment for each specific client account in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

Item 7 Types of Clients

Our clients include ultra high net worth families and individuals, trusts, estates, private investment funds, registered investment companies, and business entities. Clients must meet the definition of qualified purchasers, as defined in the Investment Company Act of 1940, to open and maintain an advisory relationship with our firm. At our discretion, we may waive this minimum requirement.

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

We may use one or more of the following methods of analysis or investment strategies in formulating investment advice or in managing your assets:

- Charting Analysis - involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Technical Analysis - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends.
- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- Short Sales - securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.
- Margin Transactions - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.
- Option Writing - a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

Our investment strategies and advice will vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Our strategies and investments may have unique and significant tax implications. We generally take tax efficiency into consideration in the management of your assets. Nonetheless, we recommend that you consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Each type of asset has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Recommendation of Particular Types of Investments

When appropriate for a client's circumstances, we may offer advice on partnerships investing in a variety of alternative investment techniques, for example, hedge funds, real estate, operating companies, and private equity. A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited

partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

Item 9 Disciplinary Information

Galapagos Partners, L.P. has been registered and providing investment advisory services since 2007. Neither our firm nor any of our management persons has any disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

We serve as the investment adviser and general partner to GPLP Principals BG LLH, LP and GPLP-Bounty Minerals II, LP (hereinafter collectively referred to as "Funds"), both of which are pooled investment vehicles in which certain clients of our firm have invested in order to meet the high minimums that the underlying required. Investors in either Fund should refer to the operating documents associated with the Fund for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the particular Fund. Persons affiliated with our firm may co-invest in the Funds. As with any private investment you are encouraged to seek independent legal counsel prior to investing in any private investment vehicle. These types of investments are not protected by SIPC. Refer to the *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* section below for additional disclosures on this topic.

Galapagos acts as the investment adviser to our affiliated investment company, Galapagos Partners Select Equity Fund ("Fund"). Certain related persons of our firm, including Stephen P. Lack our principal owner, also serve in the same or a similar capacity for the Fund. The compensation of these related persons may be based, in part, upon the profitability of the other affiliated entities. Where appropriate, we will exercise our discretionary authority and without further approval from you, we will invest a percentage of your assets in the Fund. This exercise of discretionary authority may include the liquidation of existing investments in your account for purposes of investing those assets in the Fund. This creates a potential conflict of interest because executive officers of our firm and other persons associated with the Fund will benefit from having investors in the Fund. If you are an advisory client of our firm and an investor in the Fund, we will offset any compensation we receive from you against fees and expenses you may otherwise pay to any of our affiliates, including the Fund. You should refer to the prospectus for a complete description of Fund expenses, fees, investment objectives, risks and other relevant information associated with investing in the Fund. Refer to the *Investment Discretion* section below for additional disclosures on our discretionary authority to manage your investment account. Refer to the *Advisory Business* section above for additional disclosures on this topic.

We may use, suggest or recommend the services of our affiliated entities as listed above. Such arrangements may involve sharing or joint compensation, or separate compensation, subject to proper disclosures and the requirements of applicable law.

Outside Business Activities

Stephen P. Lack, Managing Partner and CIO of Galapagos Partners, L.P., is also the President and CIO of Ned S. Holmes Investments, Inc. a family office based in Houston, Texas. In this capacity, Mr. Lack will provide consulting related services to private partnerships and corporations. The consulting services offered, and compensation received, are separate and distinct but similar to the advisory services offered through Galapagos.

Recommendation of Other Advisers

We may recommend that you use a third party money manager ("TPMM") based on your needs and suitability. We will not receive separate compensation, directly or indirectly, from the TPMM for recommending that you use their services. Moreover, we do not have any other business relationships with the recommended TPMM(s).

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

Description of Our Code of Ethics

We have adopted a Code of Ethics that sets the standard of conduct expected to comply with applicable securities laws. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. We adhere strictly to these guidelines. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or perspective clients may contact us at 713-803-4326 to request a copy of our Code of Ethics.

Participation or Interest in Client Transactions

Stephen P. Lack, Managing Partner and CIO of Galapagos Partners, L.P., and/or other Associated Persons may be a co-investor in certain investments in which our clients are also involved. When appropriate, we may recommend participation to other advisory clients. In some instances, these investments may include use of registered investment companies, pooled vehicles or other investments that our Clients, employees, or their family members control or sponsor. The client, employee, and/or their family member may benefit from such arrangements. All necessary disclosures will be made at the time of such recommendation. Clients are expressly informed that any compensation and/or benefits received by Mr. Lack, our Clients, employees, or their family members resulting from these investments are separate and in addition to the advisory fees you pay to our firm for advisory services. As part of our fiduciary duty, we endeavor at all times to put your interests first, you should be aware that these situations may create a conflict of interest since our firm and our Associated Persons, including Mr. Lack, may have a financial incentive to recommend these investments.

As discussed above, we serve as the investment adviser and general partner to GPLP Principals BG LLH, LP and GPLP-Bounty Minerals II, LP (hereinafter "Funds"). Investors in either Fund should refer to the specific Fund's operating documents for important detailed disclosures regarding the Fund. Also, refer to *Other Financial Activities and Affiliations* for additional disclosures on this topic.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to our clients or securities in which our clients are already invested. Our belief in the future success of the investments we recommend for our clients is so great that we also participate in the same investments. This alignment of interest is fundamental to our advisory business as we consistently seek to deliver the most favorable results for our clients. Moreover, we have adopted a Code of Ethics (as discussed above) to ensure that any conflicts of interest are minimized and that recommendations are made in the best interests of our clients.

Item 12 Brokerage Practices

When making investment decisions for client brokerage accounts, we determine the broker-dealer to be used in each specific transaction with the objective of negotiating the best execution available under the circumstances. In selecting broker-dealers, we will generally seek the best combination of net price and execution for client accounts and may consider other factors, including the broker's trading expertise, stature in the industry, execution ability, facilities, clearing capabilities and financial services offered, reliability and financial responsibility, timing and size of order and execution, difficulty of execution, current market conditions and market liquidity.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. We do not obligate ourselves to seek the lowest transaction charges in all cases except to the extent that it contributes to the overall goal of obtaining the best results for your account. It is expected that our firm will receive some economic benefits, for example, research and access to investment consultants, from various full service and discount brokers in connection with utilizing their brokerage services.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

Some clients may instruct our firm in writing to use one or more particular brokers for the transactions in their brokerage accounts. If you choose to direct our firm to use a particular broker, you will negotiate terms and arrangements for your account with the broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to aggregate trades with other client accounts (as described below at Block Trades). As a result, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you. Subject to our duty to obtain best execution, we may decline your request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties. You are encouraged to discuss available alternatives with an Associated Person of our firm.

Block Trades

Securities transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts. Such accounts are treated as client accounts and are neither given preferential nor inferior treatment versus other client accounts.

We combine orders for shares of the same securities purchased for discretionary accounts; however, we may not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

Item 13 Review of Accounts

Client investment accounts are monitored on a continuous basis. We will typically meet with you on a monthly or quarterly basis; however, additional meetings may be provided at your request, based on material changes in your financial condition, or at your account manager's discretion. The individuals currently performing reviews are: Stephen P. Lack, Managing Partner, CIO; Wesley J. Kubesch, Director of Research/Portfolio Manager.

We will provide you with a written consolidated performance report in conjunction with each meeting that will include relevant account information such as an inventory and appraisal of your account holdings and investment performance for the given period. Additionally, you will receive a trade confirmation of every securities transaction in your account(s) and a brokerage statement at least quarterly from your account custodian(s). We encourage you to reconcile our reports with those you receive from your account custodian. If you find your holdings differ between these two statements, please call our main office number located on the cover page of this brochure.

Item 14 Client Referrals and Other Compensation

We do not directly or indirectly compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive from full service and discount brokers in connection with utilizing their brokerage services.

Item 15 Custody

As paying agent for our firm, your independent custodian may directly debit your designated brokerage account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact our main office immediately at 713-803-4326.

As noted above, we serve as the investment adviser and general partner to GPLP Principals BG LLH, LP and GPLP-Bounty Minerals II, LP ("Funds"). In our capacity as general partner we have legal access to the Funds' assets, and, therefore, have custody over such assets. We provide each investor in the Funds with audited annual financial statements for the particular Fund. If you are an investor in either Fund and have questions regarding the financial statements or if you did not receive a copy of the financial statements, contact our main office immediately at 713-803-4326.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s), the broker or dealer to be used for each transaction, and over the commission rates to be paid without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts, with the exception of voting shares of securities held by our affiliated registered investment company (mutual fund) for which we also serve as the investment adviser. In cases where we do not vote proxies, at your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. Ultimately, Clients owning shares of common stock or mutual funds, with the limited exception of our affiliated mutual fund, must exercise their own right to vote as a shareholder.

Where we vote proxies, we will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for shareholders of the mutual fund. Routine issues will generally be voted with management, while non-routine issues may be more frequently voted against management. Where there is a question as to whether an issue is in the mutual fund client's best interest or if a new policy question arises, the questions will be brought before the Managing Directors of the mutual fund and the CCO for discussion and approval. In all cases, we will consider both sides of each proxy issue. We do not accept direction from you on voting a particular proxy.

Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. Whether a relationship creates a material conflict will depend on the facts and circumstances. If a material conflict of interest is identified the conflict will be brought to the mutual fund's board of trustees or a committee of trustees delegated this responsibility, for vote instruction.

We keep certain records required by applicable law in connection with our proxy voting activities. You may obtain information on how we voted proxies and/or obtain a full copy of our proxy voting policies and procedures by making a written or oral request to our firm.

Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities (held outside of a private investment fund), or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Item 19 Requirements for State Registered Investment Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Call our main number at 713-803-4326, if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.