

Form ADV Part 2A: Client Brochure

Waterous Energy Fund Management (US), LLC

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This brochure provides information about the qualifications and business practices of Waterous Energy Fund Management (US), LLC (“Waterous”). If you have any questions about the contents of this brochure, please contact us at david.roosth@waterous.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.

Additional information about Waterous also is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC does not imply that Waterous has a certain level of skill or training.

Item 2: Material Changes

Waterous made the following material change to its brochure filed on March 31, 2018: changed its primary place of business to the address listed on the cover page to this ADV Part 2A.

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Item 4. Advisory Business

Waterous was founded in 2017 by Adam Waterous, an investment professional who has been active in the Canadian oil and gas private equity market for the past 25 years. Waterous is organized as a Delaware limited liability company, wholly-owned by Waterous Energy Fund Management Corp., an Alberta, Canada, corporation managed by Mr. Waterous.

Waterous provides advisory services to Waterous Energy Fund Management Corp., (“Canadian Adviser”). The Canadian Adviser provides management and advisory services to Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, and Waterous Energy Fund (International) LP, (each a “Fund” and collectively, the “Funds”). Through a sub-advisory relationship with the Canadian Adviser, Waterous also provides advisory services to the Funds. Investors in the Funds include, but are not limited to, global investment funds, corporate entities, family offices, high net-worth individuals and financial institutions. The advisory services provided by Waterous include advising and investigating potential investments, advising on the merits, risks, structure and financing of the acquisition and disposition of investments, and monitoring investments. Waterous will provide investment management advice in accordance with the particular investment objectives, restrictions, applicable law, and guidelines set forth in each Fund’s constituent documents and offering memoranda (“Governing Documents”).

Waterous does not currently participate in any wrap fee programs, and does not anticipate doing so in the future. Currently, Waterous only offers its advisory services to the Canadian Adviser and the Funds and neither enters into nor offers investment management or advisory services to individuals or institutions that may be investors within the Funds.

As of June 30, 2018, Waterous advises approximately \$1,024,000,000 in regulatory assets on a non-discretionary basis. Waterous does not currently manage any regulatory assets on a discretionary basis, and the firm does not generally acquire any securities, public or private.

Item 5. Fees and Compensation

Waterous receives reimbursement for relative costs incurred in connection with providing advisory services determined on an annual basis. The payments are calculated quarterly in advance and generally paid to Waterous on the first day of each calendar quarter.

Item 6. Performance-Based Fees

WEF Management Carried Interest LP, Skky Capital Corporation Ltd., Liricon Capital Ltd. and 1100367 B.C. Ltd., each a related entity of Waterous and a limited partner in each of the Funds, receives carried interest from each of the Funds as specified in the constituent documents of each of the Funds.

Item 7. Types of Clients

Waterous provides advisory services to the Canadian Adviser, an entity that provides management and advice to its clients. Waterous provides advisory services to the Funds through a sub-advisory relationship with the Canadian Adviser.

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

Waterous employs methods of analysis and investment strategies that are consistent with the Funds' Governing Documents. Waterous's strategy focuses primarily on the Funds' acquisitions of the North American energy assets and debt or equity securities of a public or private company which participates directly or indirectly in the energy business in North America, including (a) investments in oil and gas properties or assets and (b) investments in controlling or non-controlling positions and/or operated or non-operated positions in the working interest of producing and non-producing public or private oil and gas companies.

An investment in a private equity fund involves a significant degree of risk, including a significant risk of financial loss. Any investor or potential investor in a Fund should be capable of evaluating the merits and risk of an investment therein and bearing the risk of loss of the entire investment. Client Governing Documents will set forth in detail the risk factors with respect to that particular client, including, for example: (i) vulnerability to changes in markets and technology and dependence on the skills and commitment of a small management team; (ii) fluctuations in the market prices of securities; (iii) restrictions on resale and transfers of partnership interests; (iv) requirements for lengthy investment periods; (v) lack of liquidity or access to secondary markets; (vi) no guarantee that suitable investments will be or can be acquired; (vii) no assurance that certain individuals will continue to be employed by or function on behalf of the Fund; (viii) changes in legal, tax and regulatory regimes or practices; (ix) variances in disclosure, accounting, auditing and reporting standards; (x) lack of previous performance records for new funds; (xi) default by a substantial number of investors or by one or more investors who have made substantial capital commitments; (xii) poor early performance for new funds; (xiii) increase in competition for appropriate investment opportunities; (xiv) poor performance of an investment in a portfolio with limited investments; (xv) poor performance of undiversified investments; (xvi) general partners' sole and absolute discretion in structuring, negotiating, purchasing, financing and eventually divesting investments; and (xvii) adverse impact from sovereign or political risks, such as wars, riots, strikes, blockades and acts of terrorism. The foregoing is not an exhaustive list of risks.

An investment in the Funds is subject to many of the normal risks associated with investing in private equity. Additional risk factors are listed in the Funds' Governing Documents. Investors and prospective investors should consult with their own legal, tax and financial advisers before deciding whether to invest.

Item 9. Disciplinary Information

Waterous and its principals have no legal or disciplinary events to disclose with respect to this item.

Item 10. Other Financial Industry Activities and Affiliates

Waterous is a wholly-owned subsidiary of the Canadian Adviser. WEF GP (Canadian) Corp. (the "Canadian GP") serves as the general partner of Waterous Energy Fund (Canadian) LP, WEF GP (International) Ltd. (the "International GP") serves as the general partner of Waterous Energy Fund (International) LP and WEF GP (US) Corp. (the "US GP") serves as the general partner of Waterous Energy Fund (US) LP (collectively, the Canadian GP, the International GP and the US GP, the "General Partners"). Each of the General Partners is a related person of Waterous. Each of the General Partners has delegated the management of its Fund to the Canadian Adviser. The Canadian Adviser in turn has retained Waterous to provide management services to the General Partners for the benefit of the Funds. Waterous Energy Fund (US) LP is the only Fund that will accept US investors and thus will be a "private fund".

Neither Waterous nor any of its management persons are registered, or have an application pending to register, as (i) a broker-dealer or registered representative of a broker-dealer or (ii) a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Waterous does not recommend or select other investment advisers for the Funds.

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

The firm has adopted a Code of Ethics (“Code”) as part of its Compliance Manual (“Manual”) pursuant to Rule 204A-1 under the Advisers Act, which imposes ethical standards and duties on all persons that may become subject to the firm’s control and supervision (collectively referred to as “Covered Persons”). The Manual, in combination with the Code, works to ensure that Waterous employees honor their fiduciary duties to the firm and its clients, including a general duty to act at all times in their best interest and avoid actual and apparent conflicts of interest.

The Code, and the Manual more generally, sets forth certain minimum standards of conduct for all Covered Persons. Each Covered Person is expected to conduct Waterous’s business in full compliance with both the letter and the spirit of the law and the Manual. Any Covered Person who fails to comply with the firm’s procedures is subject to immediate disciplinary action by the firm. The firm provides each Covered Person with a copy of the Manual and any updates or supplements, and annually thereafter requires Covered Persons to complete a compliance certification and sign a statement attesting to his or her continued compliance.

The Code includes policies and procedures concerning “inside information” that are designed to prevent the misuse of material, non-public information. Accordingly, the firm forbids any Covered Person from trading, either personally or on behalf of others (including clients), on material, non-public information or communicating material, non-public information to others in violation of the law. The firm’s policy applies to every Covered Person and extends to activities within and outside their duties at the firm. To ensure compliance with these policies, the firm maintains a list of companies (the “Restricted List”) in which transactions in such companies’ securities are prohibited due to possession of material, non-public information about the particular company.

The Code also addresses conflicts that may arise from personal securities trading by any Covered Persons. Covered Persons are required to check the Restricted List prior to executing any personal securities transactions in “Employee Related Accounts,” as defined in the Code. If the issuer’s name appears on the Restricted List, the Covered Person is prohibited from executing the trade.

The firm’s Chief Compliance Officer has overall responsibility for implementing and monitoring the firm’s overall compliance program, including ensuring the effectiveness of the policies and procedures contained in the Manual.

The firm provides copies of the section of the Manual containing the Code to the Funds and, upon request, to the Funds’ investors and other prospective investors.

Waterous does not engage in principal or cross trades at this time.

Item 12. Brokerage Practices

Waterous does not purchase or sell publicly traded securities. As described above, the firm does not acquire any securities, public or private. Waterous only effects transactions in securities through privately negotiated purchases and sales and does not utilize the services of a broker-dealer to effect such transactions. Accordingly, the firm does not pay commissions to effect securities transactions and does not engage in soft dollar arrangements. Waterous does not have any financial arrangements with broker-dealers and does not have discretionary authority with respect to any choice of broker-dealer. The Canadian Adviser does have the discretion to purchase and sell publicly traded securities by utilizing broker-dealers to effect such transactions. Accordingly, the Canadian Adviser may pay commissions to effect such transactions and utilize soft dollar arrangements.

Item 13. Review of Accounts

At the request of the Canadian Adviser, Waterous will participate in the preparation of quarterly statements for the Funds. However, Waterous does not have responsibility for preparing those statements.

Item 14. Client Referrals and Other Compensation

Waterous does not receive any economic benefits from non-clients for providing investment advice or other advisory services to the Funds.

The firm does not compensate any persons for client referrals. However, a related party of the firm utilizes a third-party placement agent.

Item 15. Custody

Waterous has custody of client assets for purposes of Rule 206(4)-2 under the Advisers Act (the “Custody Rule”). Both the Canadian Adviser and the US GP, each a related person of Waterous, have custody of the Funds’ assets sub-advised by Waterous. Thus, Waterous will be deemed to have custody by virtue of the Canadian Adviser and the US GP having custody of the Funds’ assets.

Waterous is relying on the audit exemption. Accordingly, the Canadian Adviser and the Funds’ General Partners arrange for the timely delivery of a copy of audited financial statements for each of the Funds to that Fund’s investors.

Item 16. Investment Discretion

Waterous does not have discretionary authority to determine whether a Fund will purchase or sell an investment, and instead only makes recommendations regarding the type, amount and price of such investments.

Item 17. Voting Client Securities

Waterous does not vote proxies on behalf of its clients.

Item 18. Financial Information

Waterous has no financial commitment that will impair its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.