



**PART 2A OF FORM ADV  
FIRM BROCHURE**

**ONEMAP MINERAL SERVICES LLC**

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**This brochure (the “Brochure”) provides information about the qualifications and business practices of OneMap Mineral Services, LLC (“OneMap”). If you have any questions about the contents of this Brochure, please contact OneMap at (832) 895-7030 or [info@onemapminerals.com](mailto:info@onemapminerals.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 OneMap also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Being a “registered investment adviser” or describing OneMap as being “registered” does not imply a certain level of skill or training.**

**THIS BROCHURE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY.**

**Item 2: Material Changes**

There have been no material changes since OneMap's last annual filing.

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#### **Item 4: Advisory Business**

OneMap Mineral Services LLC (“OneMap” or the “Adviser”) was formed in January 2016 and is organized as a limited liability company under the laws of the State of Texas. As a limited liability company, OneMap is principally owned by an assemblage of entities and individuals that includes, Aspect Holdings LLC; The Investment Company; David H. Sims and Don Wolf. The investment activities of OneMap are led by Lawson Mackie Cannon, as Chief Executive Officer. A number of other investment professionals work with Mr. Cannon to execute OneMap’s investment strategy. Jeffrey S. Cannizzaro is the Chief Compliance Officer for OneMap.

OneMap serves as the investment manager and provides discretionary advisory services to six (6) private funds, the first four (4) tranches organized as Texas limited liability companies, and the more recent Funds organized as limited partnerships. Additionally, OneMap serves as the investment manager and provides non-discretionary advisory services to one (1) single purpose vehicle organized as a limited liability company (“SPV”). Collectively, known as “Funds”. OneMap provides investment advice directly to the Funds and not individually to a Fund’s members. Investment restrictions for the Funds, if any, are generally established in the applicable Fund’s Governing Documents.

As of December 31, 2018, OneMap managed private funds on a discretionary basis with approximately \$325 Million in regulatory assets under management. The single purpose vehicle assets advised by OneMap on a non-discretionary basis totaled approximately \$164 Million. Altogether, OneMap has a total of approximately \$489 Million assets under management.

#### **Private Funds**

OneMap provides investment advisory services to private funds with an investment strategy designed to acquire prime, early stage minerals in core, de-risked areas which are expected to be held for the term of the Fund. The Fund will either (i) as lessor, acquire such interests subject to, or become a party to, existing oil and gas leases which encumber the acquired mineral estate and have previously been entered into with parties who are expected to have the ability to expend significant resources required to drill, complete and equip the oil and gas well (such parties, the “**Third Party Operators/Lessees**”), or (ii) in the case of unleased mineral interests, acquire the same and negotiate and enter into oil and gas leases with Third Party Operators/Lessees. As lessor under an oil and gas lease covering the mineral interest, the Fund will be entitled to receive a percentage of revenue (“royalty interest”) derived from production of the minerals, without any obligation on the part of the lessor to pay for the cost of production of the minerals.

OneMap, on behalf of the Fund, expects to employ a buy-and-hold strategy dedicated to generating significant long-term returns. OneMap’s fundamental approach to investing in mineral interests involves three key elements: (1) a focus on proven geographies; (2) an emphasis on mineral interests in the early stages of horizontal re-development; and (3) transacting directly with individual mineral owners. This approach differs from the traditional “buy and flip” yield driven strategy, which routinely overlooks quality assets in the early stages of development. By focusing on locations with significant recoverable oil reserves with a more expedient path towards future development, OneMap believes it is uniquely positioned to capitalize on the fragmented, mispriced, and inefficient minerals market to deliver value for the Fund’s investors.

OneMap may, in the future, organize additional investment vehicles that follow an investment strategy similar to or different from the investment program of the Funds.

### **Single Purpose Vehicles**

Similar to the investment objective of OneMap's other Funds, OneMap also provides non-discretionary services through sub-advisory arrangements to certain private funds. These arrangements commence on a one-on-one basis, and while not generally offered, include the provision of advice to/through a single purpose vehicle ("SPV"). Services to SPV's include, but are not limited to the acquisition of certain mineral assets and related land management, accounting, treasury & finance, and audit prep. Investment restrictions for the SPV, if any, are generally established in the applicable SPV's Governing Documents.

### **Item 5: Fees and Compensation**

OneMap deducts its management fees ("Management Fee") generally from the Funds quarterly in advance in such amounts as are set forth in the Governing Documents.

### **Tranches 1 – 4**

These pre-fund tranches were offered to investors and closed prior to the firm becoming SEC registered. These vehicles charged investors a fixed management fee and acquisition fee.

### **Funds**

The Funds charge an annual management fee (the "Management Fee") that generally ranges between 1.0% to 2.0% (per annum) for each of these funds:

- **OneMap Mineral Fund V LP / (QP) LP** (*referred to as "Fund I" in marketing materials*)
- **OneMap Mineral Fund II LP**

The Management Fee will accrue from the Initial Closing for all Limited Partners (regardless of when they were admitted to the Fund) and will be paid quarterly in advance to the Manager. The Management Fee will be reduced by the amount of (i) any placement fees paid by the Fund, and (ii) certain transaction fees (as defined in the Partnership Agreement) received by the Manager, if any. The General Partner, in its sole discretion, may from time to time agree with the Manager to charge a reduced Management Fee with respect to the Capital Commitments of one or more investors, and to waive the Management Fee with respect to Capital Commitments made by the General Partner, the Manager, and their affiliates. This same fee structure applies to any parallel fund(s).

### **Single Purpose Vehicles**

OneMap may also be party to arrangements whereby it receives a management fee for advisory services provided to SPVs. As SPVs are not generally offered, no fee schedule is available. In addition to the Management Fee, OneMap or an affiliate is generally entitled to receive a performance incentive based upon a percentage of distributions as set forth in the Governing Documents for each Fund or SPV ("Carried Interest") – **See Item 6: Performance based fees.**

OneMap may alter the terms of any Fund or SPV to address compliance with any law, regulation or contract applicable to certain investor(s) or, to address a tax, ERISA, legal or regulatory issue applicable to such investor or sovereign status of such investor.

OneMap and its supervised persons do not accept any compensation (e.g., brokerage commissions) for the sale of securities or other investment products, including interests or shares in the Funds, as applicable. For more information regarding OneMap's brokerage practices and brokerage expenses discussed herein, please see Item 12.

### **Item 6: Performance Based Fees and Side-by-Side Management**

### **Tranches 1 – 4**

These pre-fund tranches were offered to investors and closed prior to the firm becoming SEC registered. OneMap is eligible to receive a performance-based incentive for each of these vehicles.

### **Funds**

OneMap is eligible to receive a performance-based incentive on each of these Fund's distributions:

- **OneMap Mineral Fund V LP / (QP) LP** (*referred to as "Fund I" in marketing materials*)
- **OneMap Mineral Fund II LP**

Each Limited Partner's apportioned share of distributions are made in an order of priority as established by the fund's governing documents, that includes certain cumulative amounts of capital contributions and may contain an 8% pre-tax internal rate of return. Amounts distributed to the General Partner are referred to "***Carried Interest***" with respect to such Limited Partner, and may include up to 25% of the cumulative net profits of the Fund on normal terms. OneMap may negotiate different terms with specific clients, resulting in a performance fee that is higher or lower than the normal terms. The Carried Interest may be paid to the General Partner by the Fund or by one or more subsidiaries of the Fund.

### **Single Purpose Vehicles**

At present OneMap is party to an arrangement whereby it receives a Success/Performance fee for advisory services provided to a SPV. As the SPV is not generally offered, no fee schedule is available.

OneMap's receipt of Carried Interest raises certain conflicts of interest, which are described below.

**Investment Selection.** The Carried Interest creates an incentive for OneMap to make more speculative investments than would otherwise be made or make decisions regarding the timing and manner of realization of investments differently than if such Carried Interest was not received.

**Side-by-Side Management.** Different Funds may have different performance incentive arrangements. Such differences could incent OneMap to favor one Fund over another Fund in its investment allocations, make investments in subsequent Funds that are intended to prop up investments in a prior Fund, or manipulate the sequence of dispositions. These potential conflicts are mitigated to some extent by the fact that OneMap affiliates invest alongside the Funds and have a shared interest with Fund investors in maximizing Fund returns. These potential conflicts are mitigated further by the fact that subsequent Funds generally are not launched until the investment periods for prior Funds have expired; therefore, multiple Funds are generally not making new investments concurrently. To the extent that a prior fund has investable cash after a new fund has been launched, OneMap implements a formulaic system for allocating the investments.

### **Item 7: Types of Clients**

OneMap clients consist of private funds and single purpose vehicles (organized as a limited liability company), known as ("Funds"). Investors in the Funds may include, but are not limited to, high net worth individuals, family offices, fund of funds, endowments and foundations, sovereign wealth funds and other government entities, pension plans and corporate entities.

Details concerning applicable investor suitability criteria are set forth in the applicable Fund's Governing Documents. The minimum commitment for an investor is outlined in the applicable Fund's Governing Documents, including the discretion of OneMap and its affiliates to accept less than the minimum investment threshold. Each investor in the Funds who is a U.S. Person (as defined in Regulation S under the Securities

Act of 1933, as amended (the “Securities Act”)) is required to meet certain suitability qualifications, such as being an “accredited investor” as defined under Rule 501(a) of Regulation D of the Securities Act.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

OneMap is an investment manager focusing on long term opportunistic investing in oil and natural gas mineral interests in North America. The investment objective of the Funds is to acquire minerals in industry recognized core areas with a focus on generating significant long-term return on investment for investors. The Funds seek to achieve their investment objective by investing in a relatively concentrated portfolio comprised primarily of leased oil and natural gas mineral interests in North America. The Funds typically either (i) acquire such interests subject to, or become a party to, existing oil and gas leases which encumber the acquired mineral estate and have previously been entered into with parties who are expected to have the ability to expend significant resources required to drill, complete and equip the oil and gas well (such parties, the “Third Party Operators/Lessees”), or (ii) in the case of unleased mineral interests, acquire the same and negotiate and enter into oil and gas leases with Third Party Operators/Lessees. As lessor under an oil and gas lease covering the mineral interest, the Funds will be entitled to receive a percentage of revenue (“royalty interest”) derived from production of the minerals, without any obligation on the part of the lessor to pay for the cost of production of the minerals.

The Funds expect to hold a relatively concentrated portfolio. OneMap will manage the Funds’ position-sizing and exposure (both net and gross) based on a number of factors, including maximum loss, correlation, volatility, liquidity, and conviction.

In assessing and managing the Funds’ investments, OneMap may avail itself of a number of information and research sources from third parties, including, without limitation, commercially available research reports, specially commissioned reports, meetings with industry analysts and company representatives, and internally-generated models and other quantitative and qualitative research opportunities for the investment selection process.

**It is impossible to predict the degree of profitability, if any, that may be achieved from the investment strategy described above. In particular, OneMap’s investment practices may, in some circumstances, increase any adverse impact to which one or more Fund’s investment portfolio may be subject. OneMap endeavors to commit each Fund’s resources among the various investments and strategies consistent with the philosophy and process articulated above and in response to changing market conditions and opportunities. The foregoing discussion includes and is based upon assumptions and opinions of OneMap concerning world financial markets and other matters, the accuracy of which cannot be assured. The description set forth above is general and is not intended to be exhaustive. The risks of each Fund’s business are substantial and each Fund could realize losses rather than gains from some or all of the investments described herein. Investing in securities involves a risk of loss that clients should be prepared to bear.**

### Material Risks

The following is an explanation of the material risks that OneMap believes are associated with its investment strategy. Unless stated otherwise, each risk applies to all of the Funds. Further discussion of these and other risks associated with an investment in each Fund are set forth in the applicable Fund’s Governing Documents. The following risk factors do not purport to be a complete list or explanation of all the risks associated with an investment in one or more of the Funds.

### **General**

No guarantee or representation is made that the Funds' investment program will be successful. The Funds invest in assets which may be classified as highly illiquid. An investor should only invest in a Fund if the investor can withstand a total loss of its investment. Past investment performance is not a guarantee of future results of the Funds or any investment of the Funds.

### **Dependence on Key Individuals; No Right to Control the Funds' Operations**

Under each Fund's Governing Documents, investors will have no rights with respect to the control of the Fund's day-to-day operations or of the Fund's business, including investment and disposition decisions. To protect their limited liability from the liabilities and obligations of any Fund, investors must rely entirely on OneMap or its affiliates to conduct and manage the Fund's affairs. The success of any Fund is expected to be dependent significantly upon the expertise of the certain key persons. There can be no assurance that current OneMap personnel will continue to manage any Fund throughout its term. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of any Fund and the value of an investment in the Fund. Furthermore, although investment professionals employed by OneMap will commit a portion of their business efforts to any Fund, except as may be required by the Fund's Governing Documents, they are not required to devote all of their business time to the Fund's affairs and will devote business time to other aspects of OneMap's business.

### **Absence of Regulatory Oversight of the Funds**

No Fund is required to register as an investment company under the Investment Company Act and is not required to adhere to certain investor protection requirements thereunder.

### **No Assurance of Investment Return**

None of the Funds, their general partners or managing members, OneMap or any of their affiliates or any other person can provide assurance that they will be able to choose, make and/or realize investments in any particular investment or portfolio of investments. There is no assurance that the Funds will be able to generate returns for their investors (specified herein or otherwise) or that the returns will be commensurate with the risks of investing in the types of investments and transactions described herein or comparable to the Funds' targeted returns. The marketability and value of any such investment will depend upon many factors beyond the control of OneMap. The Funds may suffer defaults on their investments and may find it difficult or uneconomic to realize its investments. An investor could lose the entire amount of its contributed capital, and therefore an investor should only invest in a Fund if the investor can withstand a total loss of its investment. While OneMap intends to make investments that have projected returns commensurate with the risks undertaken, a total loss of the investment is possible on any given investment.

### **Uncertainty of Financial Projections**

Financial projections are by their nature inherently subject to risk and are dependent upon a number of factors, not all of which are within the control of the Funds. Some of the factors that will affect the results to be achieved by the Funds relate to the oil and gas sector generally, political events, taxes, access to capital, competition with other institutions, some of which may have greater financial resources than OneMap, and others. While the bases for the targeted returns are believed to be reasonable by OneMap's management, it is likely that actual events will differ from OneMap's assumptions such that actual results will similarly differ from those presented. Accordingly, there can be no assurance that the targeted returns will be achieved and actual results may vary significantly from such targeted returns.

### **Valuation of Fund Investments**



In general, the Funds' portfolio investments are not expected to be publicly traded. As such, the fair value of investments may not be readily determinable. Because valuations of private investments are inherently uncertain and may be based on estimates, OneMap's determinations of fair value may differ materially from the values that would have been used if a readily available market for these investments existed and may differ materially from the values that the Funds may ultimately realize.

### **Changes in Regulation and Enforcement; Litigation**

The businesses of the Funds, OneMap and their affiliates, as well as the financial services industry generally, are subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations or exchanges in the United States and foreign jurisdictions in which they operate relating to, among other things, antitrust law, anti-money laundering laws, anti-bribery laws, laws relating to foreign officials, privacy laws with respect to client information and the regulatory oversight of the trading and other investment activities of alternative asset management funds and their investment advisers, including the Funds and OneMap. Each of the regulatory bodies with jurisdiction over the Funds, OneMap or their affiliates, has the regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Any failure to comply with these rules and regulations could expose the Funds or OneMap to liability or other risks.

The additional legislation, increasing global regulatory oversight of fundraising activities and changes in law relating to the alternative asset management industry has been particularly acute in the aftermath of the recent global financial crisis. This additional scrutiny has included, among other things, increased registration, oversight and regulation of alternative asset management firms and disclosure with respect to these firms and the vehicles they sponsor or advise, which could impact OneMap's management of the Funds. Such oversight and regulation may cause the Funds to incur additional expenses, may divert the attention of OneMap and its personnel and may result in fines if the Funds are deemed to have violated any regulations. Regulation generally as well as regulation more specifically addressed to the alternative asset management industry, including tax laws and regulation, could increase the cost of acquiring, holding or divesting portfolio investments, the profitability of enterprises and the cost of operating the Fund. Additional regulation could also increase the risk of third-party litigation. The transactional nature of the business of the Funds exposes the Funds, OneMap and certain related parties generally to the risks of third-party litigation. Under the Governing Documents, the Funds will generally be responsible for indemnifying their general partner or managing member, as applicable, OneMap and certain related parties for losses or obligations they may incur with respect to such litigation.

### **Changes in Law**

The Funds and their affiliates are subject to laws and regulations in a variety of jurisdictions, including on a state or local level. These laws and regulations, as well as their interpretation, may change from time to time. Accordingly, any change in these laws or regulations, or their interpretation or any failure by OneMap or its affiliates to comply with these laws or regulations may adversely affect the Funds. In addition, the present tax treatment of an investment in the Funds may be modified by legislative, judicial or administrative action at any time, and any such action may affect investments and commitments previously made. The rules dealing with taxation are constantly under review by persons involved in the legislative, administrative and judicial process, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. Revisions in the tax laws could adversely affect the Funds' tax consequences or the tax consequences of an investment in the Funds.

### **Investment Risks**

## **Investment Risks in General**

All investments by the Funds risk the loss of capital. OneMap believes that the Funds' investment programs and research techniques moderate this risk through a careful selection of portfolio investments. No guarantee or representation is made that the Funds' investment programs will be successful.

## **Macroeconomic Factors**

The performance of the Funds' investments could be adversely affected by macroeconomic factors, including general economic conditions affecting the oil and gas, power, energy, commodity, and financial sectors. Such macroeconomic factors include continuing uncertainties affecting economies and capital markets worldwide; incidents of terrorism, political or social unrest and similar events; and concerns about financial performance, accounting and other issues relating to various companies.

## **Taxation of Investments**

Investments in properties in the energy sector may be subject to numerous taxes and fees by the jurisdictions in which such companies are organized or operate or in which the properties are located. Properties engaged in oil and natural gas operations or having substantial real property holdings, in particular, may be subject to specific tax regimes, such as petroleum revenue taxes, fees for drilling rights and exploration licenses, oil production fees, real estate and other property or ad valorem taxes, and stamp duties.

## **Tax Treatment of the Funds and its Investors**

There may be changes in tax laws or interpretations of such tax laws adverse to the Funds or its investors. There can be no assurance that the structure of the Funds or of any investment will be tax efficient to any particular investor. Prospective investors are urged to consult their own tax advisers with reference to their specific tax situations, including any applicable U.S. state or local or non-U.S. taxes and, in the case of U.S. tax-exempt investors with reference to any special issues that investment in the Funds may raise for such investors. There can be no assurance that the Funds will have sufficient cash flow to permit it to make annual distributions in the amount necessary to pay all tax liabilities resulting from investors' ownership of Interests.

## **Risks Relating to Due Diligence of and Conduct at Portfolio Investments**

Before making portfolio investments, OneMap will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each portfolio investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, engineering, regulatory, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to OneMap's reduced control of the functions that are outsourced. When conducting due diligence and making an assessment regarding an investment, OneMap will rely on the resources available to it, including information provided by the seller of the investment and, in some circumstances, third-party investigations. The due diligence investigation that OneMap carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the portfolio investment being successful.

There can be no assurance that attempts to provide downside protection with respect to portfolio investments will achieve their desired effect and potential investors should regard an investment in the Funds as

speculative and having a high degree of risk. There can be no assurance that the Funds will be able to detect or prevent potential or existing problems, such as irregular accounting, employee misconduct or other fraudulent practices, during the due diligence phase or during its efforts to monitor the portfolio investment on an ongoing basis. In the event of fraud in connection with any portfolio investment, the Funds may suffer a partial or total loss of capital invested in that investment. The Funds will rely upon the accuracy and completeness of representations made by the former owners of portfolio investments in the due diligence process, to the extent reasonable, when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Funds may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

### **Broken Deal Expenses**

Investments in the oil and gas industry often require extensive due diligence activities and regulatory approvals prior to acquisition. Due diligence may include feasibility and technical studies, preliminary engineering and marketing studies, legal, regulatory, and environmental review, any or all of which may entail significant third-party expenses. In the event that an investment is not consummated, the Funds may bear some or all of such third-party expenses and any termination fees.

### **Investment-Specific Risks**

#### **Volatility of Oil and Natural Gas Prices**

The volatility of oil and natural gas prices due to factors beyond OneMap's control greatly affects the Funds' financial condition, results of operations and cash available for distribution. The Funds' revenues, operating results, cash available for distribution and the carrying value of the Funds' oil and natural gas properties depend significantly upon the prevailing prices for oil and natural gas. Historically, oil and natural gas prices have been volatile and are subject to fluctuations in response to changes in supply and demand, market uncertainty and a variety of additional factors that are beyond OneMap's control, including:

- the domestic and foreign supply of oil and natural gas;
- the level of prices and expectations about future prices of oil and natural gas;
- the level of global oil and natural gas exploration and production;
- the cost of exploring for, developing, producing and delivering oil and natural gas;
- the price and quantity of foreign imports;
- political and economic conditions in oil producing countries, including the Middle East, Africa, South America and Russia;
- the ability of members of the Organization of Petroleum Exporting Countries to agree to and maintain oil price and production controls;
- speculative trading in crude oil and natural gas derivative contracts;
- the level of consumer product demand;
- weather conditions and other natural disasters;
- risks associated with operating drilling rigs;
- technological advances affecting energy consumption;
- domestic and foreign governmental regulations and taxes;
- the continued threat of terrorism and the impact of military and other action, including U.S. military operations in the Middle East;
- the proximity, cost, availability and capacity of oil and natural gas pipelines and other transportation facilities;
- the price and availability of alternative fuels; and

- overall domestic and global economic conditions.

These factors and the volatility of the energy markets make it extremely difficult to predict future oil and natural gas price movements with any certainty. Any substantial decline in the price of oil and natural gas will likely have a material adverse effect on the Funds' financial condition, results of operations and cash available for distribution.

In addition, lower oil and natural gas prices may also reduce the amount of oil and natural gas that can be produced economically by the Funds' Third-Party Operators/Lessees. If this occurs or if production estimates change or exploration or development results deteriorate, full cost accounting rules may require a Fund to write down, as a non-cash charge to earnings, the carrying value of the Fund's oil and natural gas properties. OneMap's Third Party Operators/Lessees could also determine during periods of low commodity prices to shut in or curtail production from wells on the Funds' properties. In addition, they could determine during periods of low commodity prices to plug and abandon marginal wells that otherwise may have been allowed to continue to produce for a longer period under conditions of higher prices. Specifically, they may abandon any well if they reasonably believe that the well can no longer produce oil or natural gas in commercially paying quantities.

### **No Hedging**

The Funds will not enter into hedging arrangements to establish, in advance, a price for the sale of the oil and natural gas produced from the Funds' properties, and the Funds do not intend to enter into such arrangements in the future. As a result, the Funds may realize the benefit of any short-term increase in the price of oil and natural gas, but the Funds will not be protected against decreases in price, and if the price of oil and natural gas decreases significantly, the Funds' business, results of operation and cash available for distribution may be materially adversely affected.

### **Dependence on Third Party Operators/Lessees**

The Funds will depend on Third Party Operators/Lessees for substantially all of the development and production on the properties underlying the Funds' mineral interests. Substantially all of the Funds' revenue is derived from royalty payments made by such Third-Party Operators/Lessees. A reduction in the expected number of wells to be drilled on the Funds' acreage by these Third-Party Operators/Lessees or the failure of any such Third-Party Operator/Lessee to adequately and efficiently develop and operate the Funds' acreage could have an adverse effect on the Funds' results of operations.

The Funds' sole assets will be mineral interests from which the Funds are expected to derive royalty income. The failure of any Third-Party Operator/Lessee to adequately or efficiently perform operations or any Third-Party Operator/Lessee's failure to act in ways that are in the Funds' best interests could reduce production and revenues. Further, none of the Third-Party Operators/Lessees of the Funds' properties will be obligated to undertake any development activities, so any development and production activities will be subject to their reasonable discretion. Any such Third-Party Operator/Lessee could determine to drill and complete fewer wells on the Funds' acreage than is currently expected. The success and timing of drilling and development activities on the Funds' properties, and whether the Third-Party Operators/Lessees elect to drill any additional wells on the Funds' acreage, depends on a number of factors that will be largely outside of OneMap's control, including:

- the timing and amount of capital expenditures by such Third-Party Operators/Lessees, which could be significantly more than anticipated;
- the ability of such Third-Party Operators/Lessees to access capital;

- the availability of suitable drilling equipment, production and transportation infrastructure and qualified operating personnel;
- the Third-Party Operators/Lessees' expertise, operating efficiency and financial resources;
- approval of other participants in drilling wells;
- the Third-Party Operators/Lessees' expected return on investment in wells drilled on our acreage as compared to opportunities in other areas;
- the selection of technology;
- the selection of counterparties for the sale of production; and
- the rate of production of the reserves.

The Third-Party Operators/Lessees may elect not to undertake development activities, or may undertake such activities in an unanticipated fashion, which may result in significant fluctuations in the Funds' royalty revenues and cash available for distribution to its investors. If reductions in production by the Third-Party Operators/Lessees are implemented on the Funds' properties and sustained, the Funds' revenues may also be substantially affected. Additionally, if any Third-Party Operator/Lessee were to experience financial difficulty, the Third-Party Operator/Lessee might not be able to pay its royalty payments or continue its operations, which could have a material adverse impact on the Funds.

### **Undeveloped Reserves**

The majority of the Funds' acquisitions will consist of undeveloped reserves. These reserves may not be developed or produced. Recovery of undeveloped reserves requires significant capital expenditures and successful drilling operations by third party oil and gas operating companies. The decision to pursue development of these undeveloped drilling locations will be made by Third Party Operators/Lessees and not by the Funds or OneMap. The Funds cannot be certain that development will occur as forecasted or that the results of the development will be as estimated. Delays in the development of the reserves, or decreases in commodity prices will reduce the future net revenues of the estimated undeveloped reserves and may result in some locations becoming uneconomical.

### **Operating Risk**

The oil and natural gas industry is cyclical, which can result in shortages of drilling rigs, equipment, raw materials (particularly sand and other proppants), supplies, and personnel. When shortages occur, the costs and delivery times of rigs, equipment, and supplies increase and demand for, and wage rates of, qualified drilling rig crews also rise with increases in demand. The Third-Party Operators/Lessees conducting operations on the Funds' mineral ownership may rely on independent third-party service providers to provide many of the services and equipment necessary to drill new wells. If these Third Party Operators/Lessees are unable to secure a sufficient number of drilling rigs at reasonable costs, the Funds' financial condition and results of operations could suffer. Shortages of drilling rigs, equipment, raw materials (particularly sand and other proppants), supplies, personnel, trucking services, tubulars, fracking and completion services, and production equipment could delay or restrict such Third Party Operators/Lessees' exploration and development operations, which in turn could have a material adverse effect on the Funds' financial condition, results of operations, and cash distributions to investors.

### **Intellectual Property**

OneMap does not have any patents, patent applications, registered trademarks or registered copyrights. OneMap relies principally on trade secrets to protect much of its intellectual property, such as OneMap's technology platform. However, trade secrets are difficult to protect. Although its employees are subject to confidentiality obligations, this protection may be inadequate to deter or prevent misappropriation of our

confidential information. OneMap may be unable to detect unauthorized use of its intellectual property or otherwise take appropriate steps to enforce our rights. Failure to obtain or maintain trade secret protection could adversely affect the business, financial condition and results of operations of OneMap and the Fund. If OneMap is unable to prevent third parties from infringing or misappropriating its proprietary information, the business, financial condition and results of operations of OneMap and the Funds could be adversely affected. In addition, all or a portion of the features that distinguish OneMap's platform may be independently developed by third parties, the result of which could adversely affect the business, financial condition and results of the operations of OneMap and the Funds.

### **Transportation Limitations**

The marketability of Third Party Operators/Lessees' production depends in part on the availability, proximity, and capacity of pipelines, tanker trucks, and other transportation methods, and processing and refining facilities owned by third parties. The amount of oil that can be produced and sold is subject to curtailment in certain circumstances, such as pipeline interruptions due to scheduled and unscheduled maintenance, excessive pressure, physical damage, or lack of available capacity on these systems, tanker truck availability, and extreme weather conditions. Also, the shipment of such Third Party Operators/Lessees' oil and natural gas on third-party pipelines may be curtailed or delayed if it does not meet the quality specifications of the pipeline owners. The curtailments arising from these and similar circumstances may last from a few days to several months. In many cases, such Third Party Operators/Lessees are provided only with limited, if any, notice as to when these circumstances will arise and their duration. Any significant curtailment in gathering system or transportation, processing, or refining-facility capacity could reduce such Third Party Operators/Lessees' ability to market oil production and have a material adverse effect on the Funds' financial condition, results of operations, and cash distributions to investors. Such Third-Party Operators/Lessees' access to transportation options and the prices such Third-Party Operators/Lessees receive can also be affected by federal and state regulation—including regulation of oil production, transportation, and pipeline safety—as well by general economic conditions and changes in supply and demand. In addition, the third parties on whom such Third Party Operators/Lessees may rely for transportation services are subject to complex federal, state, tribal, and local laws that could adversely affect the Funds' financial condition, results of operations, and cash distributions to investors.

### **Title Defects**

No assurance can be given that the Funds will not suffer a monetary loss from partial or full title failure. Additionally, undeveloped acreage has greater risk of title defects than developed acreage as undeveloped acreage has not yet been vetted through a formal title opinion process. Unidentified and/or incurable title defects leading to partial or full title failure in properties in which the Funds hold an interest will expose the Funds to financial loss.

### **Risk of Third-Party Operator/Lessee Bankruptcy and Default**

The Funds may not be able to terminate its producing or non-producing leases if any of its Third-Party Operators/Lessees declare bankruptcy, and the Funds may experience delays in drilling and development or receiving royalty revenue as a result of any such filing. If any of the Funds' leases are affected by bankruptcy, the Funds would actively seek to enforce all remedies available to it under applicable law including a claim of lease termination. In the event of successful lease termination, the Funds may not be able to enter into a new lease on similar or better terms than the prior lease and the timing of executing a new lease is uncertain. In addition, if the Funds enter into a new lease, the replacement Third Party Operator/Lessee may not achieve the same levels of production or sell such production at a comparable or better price as the Third-Party Operator/Lessee it replaced.

## **Illiquid and Long-Term Investments**

Although the Funds' investments may generate current income, the return of capital and the realization of gains, if any, from an investment may occur only upon the partial or complete disposition of such investment. Although an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made. The limited market for the Funds' investments may cause the value of these investments to be volatile. Periods of economic, regulatory, and political uncertainty may result in substantially greater volatility in the value of the Funds' investments. There can be no assurance that the Funds' investments will not be sold at a price below their acquisition cost. In addition, it is unlikely that there will be a public market for the investments held by the Funds at the time of acquisition of such investments.

## **Competitive Pressures**

There is intense competition for acquisition opportunities in the oil and gas mineral interest industry. The successful acquisition of producing properties requires an assessment of several factors, including:

- recoverable reserves;
- future oil and natural gas prices and their applicable differentials;
- operating costs; and
- potential environmental and other liabilities.

The accuracy of these assessments is inherently uncertain and OneMap may not be able to identify attractive acquisition opportunities. In connection with these assessments, OneMap performs a review of the subject properties that it believes to be generally consistent with industry practices. OneMap's review will not reveal all existing or potential problems nor will it permit OneMap to become sufficiently familiar with the properties to assess fully their deficiencies and capabilities even when problems are identified, the seller may be unwilling or unable to provide effective contractual protection against all or part of the problems. Even if OneMap does identify attractive acquisition opportunities, it may not be able to complete the acquisition or do so on commercially acceptable terms. Unless the Funds' Third-Party Operators/Lesseees further develop the Funds' properties, the Funds will depend on acquisitions to grow its reserves, production and cash flow.

Competition for acquisitions may increase the cost of, or cause the Funds to refrain from, completing acquisitions. OneMap's ability to complete acquisitions is dependent upon, among other things, the Funds' ability to obtain regulatory approvals in certain cases. Further, these acquisitions may be in geographic regions in which OneMap does not currently hold properties, which could result in unforeseen operating difficulties. In addition, if OneMap enters into new geographic markets, OneMap may be subject to additional and unfamiliar legal and regulatory requirements. Compliance with regulatory requirements may impose substantial additional obligations on the Funds and their management, cause OneMap to expend additional time and resources in compliance activities and increase OneMap's or the Funds' exposure to penalties or fines for non-compliance with such additional legal requirements. In addition, possible future acquisitions may be larger and for purchase prices significantly higher than those paid for earlier acquisitions.

No assurance can be given that OneMap will be able to identify suitable acquisition opportunities for the Funds, negotiate acceptable terms, or successfully acquire identified targets.

## **Conservation Matters**

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, technological advances in fuel economy, and energy-generation devices could reduce demand for oil and natural gas. The impact of the changing demand for oil and natural gas services and products may have a material adverse effect on our business, financial condition, results of operations, and cash distributions to investors.

### **Water Restrictions**

Water is an essential component of deep shale oil and natural gas production during both the drilling and hydraulic fracturing processes. Many states have recently experienced extreme drought conditions. As a result of this severe drought, some local water districts have begun restricting the use of water subject to their jurisdiction for hydraulic fracturing to protect local water supply. If the Funds' Third Party Operators/Lessees are unable obtain water to use in their operations from local sources, or they are unable to effectively utilize flow back water, they may be unable to economically drill for or produce oil and natural gas, which could have an adverse effect on the Funds' royalty payments.

### **Item 9: Disciplinary Information**

OneMap is not aware of any legal or disciplinary events that are material to a client's or prospective client's evaluation of OneMap's advisory business or the integrity of OneMap's management.

### **Item 10: Other Financial Industry Activities and Affiliations**

OneMap and its partners and employees (collectively the "Staff Members") are not registered, and do not have any application pending to register, with the SEC as a broker-dealer or a registered representative of a broker-dealer.

OneMap evaluates any material conflicts of interest presented by any proposed relationship or arrangement it may contemplate with a service provider, broker or similar party that has a material business relationship with the Funds to ensure that the transaction or arrangement is fair and equitable to the investors in the Funds and on terms that are consistent with arm's length dealings. OneMap reviews any such arrangement on an ongoing basis thereafter to ensure continued benefit to the Funds and their investors. Currently, OneMap does not have, and is not aware of any Staff Member that has, any relationships or arrangements that pose material conflicts of interest.

### **Transition Funds**

OneMap is affiliated with certain companies (LLCs) that are developed and operated as investment entities that serve as bridge capital while OneMap is between private fund offerings. These Transition Funds typically raise capital from employees and other affiliates of OneMap and are not a general solicitation of securities. While Transition Funds are not generally solicited nor widely offered, under certain circumstances, OneMap may entertain the interest of a select number of prospects with whom OneMap has a pre-existing substantive relationship and who during the course of previous interactions with OneMap have suggested they would be interested in such an endeavor should one arise. Transition Funds do not charge a management fee, but otherwise collect a certain percentage of equity ownership instead.

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

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), OneMap has adopted a written code of ethics ("Code of Ethics"), which is designed to address and avoid potential



conflicts of interest and is applicable to all Staff Members. The Code of Ethics may also be applied to any other person designated by the Chief Compliance Officer of OneMap (“CCO”).

A summary of the Code of Ethics is provided below. A full copy of the Code of Ethics will be made available to investors in each Fund upon written request.

The Code of Ethics addresses personal trading of “reportable securities” (as such term is defined in Rule 204A-1 of the Advisers Act), receiving and giving gifts and entertainment, engaging in outside activities, making political contributions and payments, making other donations, and the administration and enforcement of the Code of Ethics.

The personal trading policy and procedures place restrictions on personal trading of reportable securities by all Staff Members, including that they disclose to OneMap on a periodic basis all security accounts and reportable security holdings and transactions, in which a Staff Member has a direct or indirect beneficial ownership. Staff Members may not trade in single name reportable securities that are publicly traded (including single name IPOs), other than to liquidate or reduce such positions with pre-approval by the CCO. Staff Members are required to obtain pre-approval by the CCO for other transactions involving reportable securities (except for certain exempt transactions, such as non-volitional transactions).

OneMap and its affiliates, and their partners, members and employees, may invest on behalf of themselves in reportable securities that would be appropriate for, held by, or may fall within the investment guidelines of the Funds, subject to pre-approval by the CCO.

## **Item 12: Brokerage Practices**

OneMap does not buy or sell any public securities or derivatives. Accordingly, OneMap currently does not use brokers to execute transactions for the Funds. OneMap does not have any soft dollar arrangements and does not use any brokerage relationships for client referrals.

### Warehoused Investments

When there is a reasonable expectation that additional limited partners would be making capital contributions, OneMap may identify and acquire suitable investment opportunities that were otherwise in jeopardy of being lost due to the drawdown of all (almost all) capital commitments from the current limited partners. OneMap would then transfer some or all of the warehoused investments to the Funds at the same cost at which OneMap acquired them (with OneMap also being reimbursed by the Funds for its costs and expenses in connection with acquiring and holding the warehoused investments, including the cost of borrowing the funds necessary to make such investments from an Affiliate of the Manager at a pre-determined annual rate of return (collectively the “Affiliate Transaction”). The transfer of warehoused investments is subject to the review and approval of the Investor Advisory Board.

## **Item 13: Review of Accounts**

OneMap’s investment team reviews the Funds’ portfolios on a continuous basis. OneMap’s investment personnel hold investment meetings to discuss investment ideas, investment strategies, economic developments, current events, and other issues related to current portfolio holdings and potential investment opportunities.

OneMap will provide each investor in a Fund with the following reports in accordance with the terms of the applicable Fund's Governing Documents: (i) quarterly investor letters; (ii) annual audited financial reports; and (iii) annual tax information necessary to complete any applicable tax returns.

#### **Item 14: Client Referrals and Other Compensation**

OneMap may utilize placement agents and/or any solicitors to market the Funds. Neither OneMap nor any affiliate generally receives any transaction fees or other economic benefit from a non-client for providing investment advice or other advisory services to its clients.

#### **Item 15: Custody**

OneMap is generally deemed to have custody of client funds and securities for purposes of Rule 206(4)-2 under the Advisers Act. In order to comply with Rule 206(4)-2, OneMap utilizes the services of qualified custodians (as defined in Rule 206(4)-2) to hold client assets, to the extent required by the rule. OneMap also ensures that each qualified custodian maintains these assets in an account that contains only client assets, under the client's name. OneMap does not hold cash. The oil and natural gas leases in which the Funds invest are "privately offered securities" as defined in Rule 206(4)-2. These securities are not certificated and are not required or able to be held at a qualified custodian.

The Funds' financial statements are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each investor in each Fund. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of the Funds' fiscal year end.

#### **Item 16: Investment Discretion**

In accordance with the terms and conditions of each private fund's Governing Documents and subject to the direction and control of the Funds' general partner or managing member, as applicable, OneMap will generally have discretionary authority to determine, without obtaining specific consent from the Funds or their investors, the securities and the amounts to be bought or sold on behalf of the Funds and to perform the day-to-day investment operations of the Funds.

In accordance with the terms and conditions of the SPV's management services agreement, OneMap will manage the assets in a non-discretionary manner, whereby OneMap must obtain specific consent from their Client to determine the securities and the amounts to be bought or sold on behalf of the SPV.

#### **Item 17: Voting Client Securities**

OneMap does invest in or hold any publicly-traded securities and therefore does not vote proxies on behalf of any Fund.

#### **Item 18: Financial Information**

A balance sheet is not required to be provided as OneMap: (i) does not solicit fees more than six months in advance; (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients; and (iii) has not been subject to any bankruptcy proceeding during the past 10 years.