

Item 1 - Cover Page

Carson Management Company, LLC

**Form ADV Part 2A
Firm Brochure**

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This brochure provides information about the qualifications and business practices of **Carson Management Company, LLC**. If you have any questions about the content of this brochure, please contact Gregory T. Giannini, Chief Compliance Officer, at 214.999.1000, or by email at: compliance@carsoncapital.com. 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 **Carson Management Company, LLC** is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This brochure contains customary annual updates to the brochure dated February 28, 2019. Furthermore, this brochure provides certain other updates, including additional disclosures related to risk factors and conflicts of interest associated with investments in private equity.

In addition to the routine formation and termination of investment partnerships, the most significant change to the brochure since our last annual update is the shift from semi-annual fee billing to the more traditional quarterly billing cycle.

All clients and investors are encouraged to review this document – along with all investment offering materials – before making any investment decisions.

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Item 4 - Advisory Business

Firm Description

Carson Management Company, LLC, (“CMC”) was founded in 2009 and is an investment management firm that specializes in providing management services to a limited number of private limited partnerships. The general partners of these limited partnerships are affiliates of CMC. These investment partnerships generally invest in private investment funds focused on European and North American private equity and real estate and North American energy investments.

Principal Owner

Royal W. Carson, III is the sole equity owner of CMC.

Types of Advisory Services

CMC provides investment supervisory services that consist of the formation, structuring, management and administration of private investment limited partnerships (“Partnerships” or “Clients”) which invest in underlying private investment funds (“Fund” or “Funds”) seeking access to European and North American private equity and real estate investments and North American energy investments.

The general partner for each Fund is an affiliate of CMC.

The privately offered Partnerships are CMC’s only investment advisory Clients. The Partnerships are not required to register as investment companies under the Investment Company Act of 1940 in reliance upon an exemption available to private investment funds whose securities are not publicly offered. CMC manages the Partnerships on a discretionary basis in accordance with the terms and conditions of each Partnership’s offering and organizational documents. The general partner of a Partnership may also offer limited partners the opportunity to make a direct investment in a business side-by-side with the Partnership through a co-investment pooled investment vehicle.

As of 12/31/2018, CMC manages approximately \$350,105,830 in assets for approximately 14 Partnerships. Approximately \$350,105,830 is managed on a discretionary basis, and \$0 is managed on a non-discretionary basis.

Tailored Relationships

The services provided for each Client are documented in a Management Services Agreement between CMC and the general partner of the Client. These services may differ between Clients depending on the services needed and are at the discretion of the general partner.

Types of Agreements

The following agreements define our typical Client relationship.

Management Services Agreement

All of our Clients (*i.e.* the Partnerships) are provided services under a Management Services Agreement between CMC and the general partner of each Partnership. Services include Investment Management Services and Administrative Services.

Investment Management Services typically include (i) identifying and evaluating investment opportunities for the Partnerships, including (a) analyzing and investigating investment opportunities, (b) structuring investments and proposed investments of the Partnership and (c) negotiating the terms of, and directing the preparation and review of, all documents required to complete investment transactions of the Partnership; (ii) monitoring the performance of investments; (iii) preparing or assisting the general partner in preparing valuations of any investments; and (iv) making recommendations in respect of the liquidation or disposition of investments, including evaluating, structuring and supervising, if appropriate, the timing and method of disposition or liquidation of investments.

Administrative Services typically include (i) preparing or assisting the general partner in preparing communications to the limited partners of the Partnership; (ii) maintaining or assisting the general partner in maintaining all books and records relating to the operations, business or affairs of the Partnership; (iii) preparing or assisting the general partner in preparing all tax returns, financial statements and other reports required by the limited partnership agreement of the Partnership; (iv) consulting with legal counsel, auditors and other professionals in connection with its duties under this Agreement; (v) conducting or assisting the general partner in conducting meetings of the limited partners of the Partnership; (vi) disbursing or assisting the general partner in disbursing distributions to partners of the Partnership or paying expenses of the Partnership; and (vii) processing or assisting the general partner in processing the organization or evaluation of, or the offer and sale of limited partner interests in, the Partnership.

The Management Fee is based upon the specific terms of the partnership agreement of the Partnerships and is typically between 1.0% and 1.5% per annum.

Item 5 - Fees and Compensation

Description

CMC generally receives an annual management fee from each Partnership typically based on the greater of the (i) aggregate commitments of all limited partners or (ii) aggregate amount of invested capital. The fee (generally between 1.0% to 1.5%) is payable in advance and is due quarterly on January 1st, April 1st, July 1st and October 1st. Certain Partnerships may also pay a one-time initial management fee to CMC generally equal to 1.0% to 2.0% of aggregate capital commitments of the limited partners.

Management fees are not reimbursed when a Partnership is fully liquidated prior to the end of a calendar quarter for which fees have been paid in advance. This is due to CMC's fiduciary duty to continue performing its management services, including withdrawal and liquidation, in addition to managing the final audit and tax reporting processes which extends well into the following calendar year.

Additionally, limited partners in some Partnerships may incur two (or more) layers of management fees that are payable to the general partner(s) of the relevant underlying investment Fund(s) (e.g., in secondary private equity and real estate investments). CMC receives no remuneration, either directly or indirectly, from these additional layers of management fees.

Management fees may be paid by calling available capital from limited partners or by reducing distributions that would otherwise be made to partners.

All fees charged are detailed in the respective limited partnership agreement and are not negotiable.

Fee Billing

Investment management fees are billed quarterly in advance and payable on January 1st, April 1st, July 1st and October 1st. The fees are deducted directly from the Partnerships' cash account or recorded as a payable due to CMC when sufficient cash is not immediately available.

Other Fees

CMC charges no other fees in conjunction with the management services provided.

Item 6 - Performance-Based Fees

Carried Interest

Limited partners generally may pay a carried interest to the general partner which is based on investment performance of the Partnership. The carried interest charge is typically a percentage of profits received (generally between 5% and 10%) once all investment capital has been returned.

In addition, limited partners in some Partnerships may incur, in effect, two (or more) sets of carried interest incentive allocations based on performance of the underlying investments: One directly at the Partnership level to its general partner, and one (or more) indirectly to the general partner(s) of the underlying investment Fund(s) in which the Partnership maintains indirect interests. CMC receives no remuneration, either directly or indirectly, from the additional layer(s) of carried interest. Conversely, limited partners in certain other Partnerships will not be required to pay carried interest to the general partner(s) of the relevant underlying investment fund(s).

The respective offering materials for each Partnership, including the subscription documents, the limited partnership agreement and Private Placement Memorandum

will include much more specific and detailed information about how carried interest will be allocated to the limited partners.

Item 7 - Types of Clients

Description

CMC provides investment advice exclusively to Clients who are limited partnerships where the general partner for each limited partnership is affiliated with CMC.

Minimum investment requirements for the investors are governed by the particular partnership agreements and are at the discretion of the general partner. Typically, the minimum investment commitment for a limited partner will be \$250,000 for co-investment vehicles and \$1,000,000 for conventional Funds, although lesser amounts may be accepted.

Item 8 - Methods of Analysis, Investment Strategies, and Risk Factors

Methods of Analysis

CMC sources and conducts due diligence on investment opportunities that are offered through private pooled investment vehicles, primarily through limited partnerships. CMC also conducts due diligence on direct energy investment opportunities with certain oil and gas operators with which it has long term relationships.

Investment Strategies

CMC generally follows three primary investment strategies. They are as follows:

Private Equity Investments – these investments are made primarily in Funds managed by investment managers who typically have long term relationships with principals of CMC. These Funds seek to generate an attractive rate of return for investors by making control investments in operating businesses primarily located in North America or Europe with the principal objective of generating long term capital appreciation through the acquisition of equity, equity-like and debt securities. These businesses will typically have market leading brands, strong pricing power and a history of strong and stable cash flows.

Secondary Investments – these investments are also made primarily in Funds managed by investment managers who typically have long term relationships with principals of CMC. These Funds seek to generate attractive risk-adjusted rates of return for investors by acquiring a portfolio of either private equity or real estate limited partnership interests. These interests are acquired from institutional holders seeking liquidity or an exit from the underlying fund(s). The assets acquired are generally well seasoned, highly diversified and acquired at a discount to market value.

Energy Investments – these are investments with oil and gas operators which would typically be limited to industry participants and are operated by organizations with which principals of CMC typically have long term relationships. Assets purchased are typically proven developed producing wells which often have the production hedged in order to support a leveraged structure.

Risk Factors

The acquisition of a private equity limited partnership interest involves a substantial degree of risk and should be regarded as speculative. There can be no assurance that the Partnership's investment objectives will be achieved, that the underlying Fund will otherwise be able to carry out its respective investment purposes successfully, or that an investor will receive a return of its capital. As a result, an investment in a private equity limited partnership interest should be considered only by individuals who can reasonably afford a loss of their entire investment. Prospective investors should carefully consider the following risk factors relating to the activities of the limited partnership and the Underlying Funds and read all pertinent offering materials. The following discussion enumerates certain, but not all, risk factors related to investing in a limited partnership interest of a private equity Fund.

Investment Risks

No Assurance of Profits. There can be no assurance that the investments made by the Partnership will be profitable or that there will be proceeds from such investments available for distribution to limited partners. In general, neither the Partnership nor the partners will have the ability to direct or influence the management of the Underlying Fund or the investment of its assets. If the Partnership receives distributions in kind from an Underlying Fund, then it may incur additional costs and risks in connection with the disposition of such assets or may distribute such assets in kind to the partners who may incur such costs and risks.

Limited Value of Historical Performance Data. Each Partnership will be a newly-formed entity with no prior operating history upon which an investor can base an evaluation of likely performance. The performance information of previous investment Partnerships are not necessarily indicative of the results that a new Partnership may achieve. A new Partnership will make investments separate from those of previous Partnerships and, accordingly, there can be no assurance that the Partnership or Underlying Fund will achieve its investment objective or that any of the investments will even be profitable. Loss of principal is possible for any given investment.

Illiquidity of Interests; No Right of Withdrawal. Interests in the Partnership and the interests to be acquired by the Partnership in Underlying Funds will not be readily marketable, will not be redeemable, and will not be transferable except under limited circumstances and then only with the prior written consent of the general partner or the general partner and manager of the Underlying Fund. There will be no public market for the interests in the Partnership or for the Partnership's interest in an Underlying Fund, and none is expected to develop. Limited partners will not have any right to withdraw from the Partnership, and, the Partnership will generally not have the right to withdraw from the Underlying Fund. Limited partners must be prepared to bear the risks of owning interests in the Partnership and contributing capital for an extended period of time.

Identification of Investment Opportunities. The success of the Underlying Fund (and therefore the Partnership), depends on the identification and availability of suitable investment opportunities. The availability of investment opportunities will be subject to market conditions, the prevailing regulatory conditions in regions where the Underlying Fund may invest, and other factors outside the control of the Underlying Fund. There can be no assurance that an Underlying Fund will be able to identify sufficient attractive investment opportunities to meet its investment objectives.

Lack of Diversification. Other than as set forth in each Partnership's specific offering documents and limited partnership agreement, investors will have no control over the direction of a Partnership's investments. A Partnership may participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, a Partnership's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Moreover, each Partnership will generally invest with one investment manager (and its affiliates) and, therefore, (i) will be dependent solely on one investment manager, and (ii) will not have the diversification the Partnership would have were it invested in Underlying Funds managed by a number of different investment managers.

Use of Leverage by Underlying Funds. The Underlying Funds may use leverage for a variety of purposes. Leverage generally magnifies opportunities for gain and risk of loss. The leverage used by the Underlying Funds may take the form of indebtedness as well as financial leverage in the form of short sales, forward contracts, options, derivatives, and other similar transactions. Such leverage may expose a Partnership to greater risks than if the Underlying Funds did not employ leverage. Gains made with borrowed capital would generally cause the Underlying Funds' value to increase faster than without borrowed capital. Conversely, losses incurred with borrowed capital would cause the Underlying Funds' value to decrease faster than without the use of borrowed capital. Capital borrowed for the purpose of leveraging investments will also be subject to interest costs as well as financing, transaction and other fees and costs that may not be recovered by returns on the Underlying Funds' investments.

Management Risks

Key Personnel. The performance of an investment partnership depends significantly upon the skill and expertise of the key personnel of the Investment Advisor and may be affected by key individuals joining or leaving the investment team. The loss of one or more of a Partnership's key personnel could have a material adverse effect on the performance of the Partnership. In addition, the performance of the Underlying Funds will depend in significant part upon the skill and expertise of the key personnel of the Underlying Funds' investment managers. The loss of one or more key personnel could have a material adverse effect on the performance of the Underlying Funds (and, accordingly, the Partnership).

Asset Valuations. Generally, there will be no readily available market for a substantial number of the Underlying Funds' portfolio investments and, therefore, such investments will be difficult to value. With certain limited exceptions, valuations in respect of the Underlying Funds' investments will be determined by the Underlying Fund manager and will be final and conclusive on all partners of the Underlying Fund, including the Partnership.

Lack of Management Control. Under the limited partnership agreement, the limited partners do not have the right to participate in the management, control, or operation of the Partnership or to remove the general partner. If the general partner dissolves or becomes bankrupt or insolvent and no substitute general partner is admitted or elected after such event, the Partnership will dissolve. Should the Partnership dissolve, it will not be able to withdraw or redeem its investments in the Underlying Fund, in whole or in part, until the dissolution, liquidation, and termination of the Underlying Fund. The general partner in turn will generally have no right to participate in the management, control, or operation of the Underlying Fund or remove the general partner or manager thereof.

Fund Risks

General Partner May Retain and or Recall Distributions. The amount and timing of distributions are at the sole discretion of the general partner, who may also direct that distributions or proceeds be used to satisfy, or establish reserves for, any of a Partnership's current or anticipated obligations.

Pursuant to specific terms of the underlying partnership agreement, the Partnership may recall distributions made to its limited partners which are subject to recall, or reimbursement from, or recontribution by a Partnership to, or in connection with, any Underlying Fund or portfolio company. Any such amounts received by a Partnership will not reduce a limited partner's unpaid commitment.

Nature of Underlying Fund Investments. The success of each of the Underlying Funds is subject to those risks which are inherent in venture capital, buyout, mezzanine and such other investments undertaken by such Underlying Funds. These risks are generally related to (i) the ability of each of the Underlying Funds to select and manage successful investment opportunities; (ii) the quality of the management of each portfolio company in which the Underlying Funds invest; (iii) the ability of the Underlying Funds to liquidate their investments; and (iv) general economic conditions. A Partnership will not be able to participate in the management and control of the Underlying Funds in which it holds investments nor of the portfolio companies in which they have invested. Consequently, a Partnership will not be able to control the amount or timing of distributions from the Underlying Funds, which may affect investors' returns.

An Underlying Fund may also acquire direct investments in securities of private and public companies. Direct investments may be expected to involve a high degree of risk and uncertainty. There is generally no publicly-available information regarding the privately-owned portfolio companies in which a Partnership expects to invest

directly. A Partnership will have to rely on the diligence of the Investment Advisor in order to obtain information for a Partnership's investment decisions.

Portfolio Company Risks. The Underlying Funds in which a Partnership will invest may invest in portfolio companies that involve a high degree of business or financial risk. Portfolio companies may also be highly leveraged and therefore may be more susceptible to undesirable business or financial incidents or economic factors. Portfolio companies might also include companies that are experiencing, or are expected to experience, financial difficulties which may never be overcome. In addition, they may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise sustain a fragile financial condition. For these reasons, and others, portfolio companies may not be able to produce sufficient cash flow to meet operating expenses and working capital requirements, make principal or interest payments, or make other required payments on commitments, and as such, the portfolio company's business, financial condition and prospects could be adversely affected and the value of the related investment could be significantly reduced or eliminated.

Commitments in Excess of Partners' Capital. An Underlying Fund may make commitments to portfolio companies in excess of the total capital committed to such Fund. As a result, in certain circumstances, an Underlying Fund may need to retain or recall distributions or liquidate certain of its investments prematurely if the Fund does not generate sufficient cash flow from its investments to meet these obligations. Likewise, a Partnership may be exposed to similar risks if the Partnership does not generate sufficient cash flow to satisfy its recall obligations to its Underlying Fund.

Contingent Liabilities Associated With Secondary Interests. When an Underlying Fund acquires an interest in a secondary market transaction, the Fund may acquire contingent liabilities from the seller. Where the seller has previously received recallable distributions from the Underlying Fund and, subsequently, that Fund recalls one or more of these distributions, the Fund may be obligated to return monies equivalent to such distributions to the Fund. If insufficient escrow was set aside on the purchase, the Fund may be required to, in turn, make a claim against the seller for such monies paid, but there can be no assurances that the Fund would prevail on such claim.

Partnership Co-investment Opportunities. The general partner may permit other investment vehicles to co-invest with a Partnership. In that case, allocations will be made in the sole discretion of the Investment Advisor and may result in the investments being made on different terms or in different securities. In addition, these types of co-investments may result in conflicts regarding decisions relating to that investment, including with respect to timing of disposition or other strategic objectives.

Market and Credit Risks of Debt Securities. An Underlying Fund's investment portfolio may include the acquisition or structuring of certain debt securities. Investment portfolios with debt securities are subject to credit and interest rate risks. Financial strength and solvency of an issuer are the primary factors influencing credit risk. Changes in market interest rates may affect the value of debt instruments indirectly (especially in the case of fixed rate securities) and directly (especially in the

case of instruments whose rates are adjustable). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

Nature of Distressed Investments. An Underlying Fund may invest, directly or indirectly, in the securities and obligations of companies experiencing financial and/or operational distress ("Distressed Assets"), including debt obligations that are in covenant or payment default. There are a number of significant risks when investing in Distressed Assets that are or may be involved in bankruptcy proceedings, including adverse and permanent effects on a company, such as the loss of its market position and key personnel, and if converted to a liquidation, a possible liquidation value of the company that is less than the value that existed at the time of the investment. Bankruptcy proceedings are often lengthy and difficult to predict, and could adversely impact a creditor's return on investment. In addition, creditors can lose their ranking and priority if they exercise domination and control over a debtor. An Underlying Fund or a portfolio investment also may seek representation on creditors' committees, and as a member of a creditors' committee it may owe certain obligations generally to all creditors similarly situated that the committee represents.

Effect of Carried Interest. Underlying Funds may provide an affiliate of the Underlying Fund(s) a specified carried interest or other special allocations of distributions based on the returns to its investors. Such carried interest may create incentives for the general partner(s) or manager(s) of the Underlying Fund(s) to make more risky or speculative investments than it would otherwise make. In addition, the general partner of the Partnership will be provided with a carried interest. As a result, each investor in the Partnership may incur, in effect, two (or more) layers of carried interests, one directly at the Partnership level and one (or more) indirectly at the Underlying Fund(s) level. Consequently, the returns to an investor in the Partnership will be lower than returns to a direct investor in the Underlying Fund(s).

Effect of Fees and Expenses on Returns. Each of the Underlying Funds in which a Partnership invests generally (i) pays (or requires its limited partners to pay) its respective general partner and investment advisor/manager certain fees; and (ii) bears certain costs and expenses. Those indirect fees are in addition to those incurred directly by the Partnership. Such fees and expenses are expected to reduce the actual returns to limited partners. Fees and expenses of the Partnership and Underlying Funds will generally be paid regardless of whether the Partnership or the Funds produce positive investment returns. Each investor in the Partnership will bear, in effect, two (or more) layers of fees, one directly at the Partnership level and one (or more) indirectly at the Underlying Fund(s) level. Consequently, the returns to an investor in the Partnership will be lower than returns to a direct investor in the Underlying Fund(s).

Consequences of Default. If a partner fails to timely make a required capital contribution to the Partnership (a "Defaulting Limited Partner"), the general partner may elect to do any one or more of the following: (i) subject such Defaulting Limited Partner to interest accruing on the amount of such default and any costs of collection associated therewith; (ii) exclude the Defaulting Limited Partner from participating in any portion of a portfolio investment consummated on or after the date of such default;

(iii) withhold all cash or other property otherwise distributable to such Defaulting Limited Partner and credit any such amounts withheld in a manner to be determined by the general partner in its discretion; (iv) institute legal proceedings to recover the amount of such default and costs of collection; (v) reduce the capital account of such Defaulting Limited Partner without taking into account any increase or decrease in the value of the Partnership, in an amount up to 100% of the capital account of such Defaulting Limited Partner; (vi) reduce all or any portion of the percentage interest (or Sharing Percentage) of such Defaulting Limited Partner; (vii) reduce all or any portion of the unfunded commitment of such Defaulting Limited Partner; and/or (viii) transfer such Defaulting Limited Partner's interest in the Partnership to any person at a value that the general partner determines to be fair and reasonable under the circumstances. In addition, the non-defaulting limited partners of the Partnership may be required to make capital contributions in respect of the default amount in proportion to their unfunded capital commitments to the Partnership.

Indemnification. It is standard business practice for investment partnerships to indemnify their general partners, limited partners, members, managers, employees, agents, advisors, affiliates, etc., for liabilities incurred in connection with the affairs of the Partnership. Members of Advisory Boards may also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the respective Partnership Agreements. The indemnification obligations of a Partnership would be payable from the assets of the Partnership, including unpaid Commitments of the limited partners. If the assets of a Partnership are insufficient, the general partner may be able to recall distributions previously made to the limited partners, subject to certain limitations set forth in the limited partnership agreement.

Dilution. Limited partners admitted to a Partnership at subsequent closings generally will participate in the existing investments of the Partnership, thereby diluting the interest of existing limited partners in such investments. Although any such new limited partner generally will be required to contribute its pro rata share of previously called capital, plus an additional amount thereon, there can be no assurance that this contribution will reflect the fair value of a Partnership's existing investments at the time of such contributions.

General Energy Related Risks

Volatility of Oil and Natural Gas Prices. The Partnership's returns to investors and the value of its assets will depend primarily upon market prices for oil and natural gas. Oil and natural gas prices historically have been volatile and will likely continue to be volatile in the future. The prices for oil and natural gas are subject to wide fluctuation in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty, worldwide economic conditions, weather conditions, import prices, political conditions in major oil producing regions, especially the Middle East, and actions taken by the Organization of Petroleum Exporting Countries ("OPEC"). A significant decrease in price levels for an extended period would have a negative effect on the Partnership and the Underlying Fund in several ways: (i) the cash flow of the Fund (and in turn the Partnership) would be reduced, decreasing funds available

for capital expenditures to replace reserves or increase production, (ii) certain reserves would no longer be economical to produce, leading to both lower proved reserves and cash flow, and (iii) the Partnership would have less cash available for distribution to the limited partners.

Speculative and Capital Intensive Nature of Drilling. Developing and exploring properties for oil and natural gas requires significant capital expenditures and involves a high degree of financial risk. The budgeted costs of drilling, completing and operating wells are often exceeded and can increase significantly when drilling costs rise. Drilling may be unsuccessful for many reasons, including title problems, weather, cost overruns, equipment shortages and mechanical difficulties. Interpretations of geological, geophysical and engineering data may be wrong resulting in the drilling of uneconomic wells. Furthermore, the successful drilling or completion of an oil or gas well does not ensure a profit on investment. Exploratory wells bear a much greater risk of loss than development wells. Serious mechanical problems may be encountered including the entire loss of a well. A variety of factors, both geological and market-related, can cause a well to become uneconomical or only marginally economical.

Inaccuracy of Reserve Estimates; Title Defects. The Partnership's and Underlying Fund's investment decisions will be based on various assumptions and subjective judgments that will be speculative. Although available geological, geophysical, engineering and economic data can provide information about the potential of a particular oil and gas prospect, it is impossible to predict accurately a prospect's production and profitability, and actual production and profitability will likely vary, possibly significantly, from estimates. Likewise, as is customary in the industry, the Partnership and Underlying Fund will directly or indirectly acquire oil and gas acreage without any warranty of title, except through the transferor. In many instances, title opinions will not be obtained if, in the judgment of the Underlying Fund, it would be uneconomical or impracticable to do so. Losses may result from title defects or from defects in the assignment of leasehold rights.

Third-Party Operators. The Partnership will not operate any of the oil and gas properties in which it has a direct or indirect interest. Consequently, the Partnership will have limited ability to exercise influence over, and control the risks associated with, operations of such properties. The failure of an operator to adequately perform operations, an operator's breach of the applicable agreements or an operator's failure to act in ways that are in the Partnership's or Underlying Fund's best interests could reduce production or revenues (and in turn the Partnership's returns). The success and timing of drilling and development activities, therefore, will depend upon a number of factors beyond the Partnership's control, including (i) the timing and amount of capital expenditures, (ii) expertise and financial resources, (iii) inclusion of other participants in drilling wells, and (iv) the use of technology.

Casualties/Environmental Liabilities. Unexpected casualties, such as fires, blowouts, pipe failure and uncontrollable flows of oil, natural gas, brine or well fluids, are possible in oil and gas drilling. Such an event, to the extent not covered by insurance, would reduce the funds available for exploration and drilling and could result in a loss

of the properties in which the Partnership and Underlying Fund has an interest. The operators of properties in which the Partnership and Underlying Fund have an interest could be required to cease operations in areas where pollution occurs. In addition, there is inherent risk of incurring significant environmental costs and liabilities in exploration and production operations due to the generation, handling and disposal of materials including wastes and petroleum hydrocarbons. The Underlying Fund could incur joint and several strict liability under applicable federal and state environmental laws in connection with the release of petroleum hydrocarbons and wastes on, under or from its leased or owned properties, some of which properties may have been formerly used for oil and gas natural exploration and production activities by third parties not under the control of the Fund. While the Fund intends to maintain insurance against some of the risks described above, such insurance may not be adequate to cover its casualty losses or environmental liabilities. Moreover, premiums for insurance against such casualties and environmental liabilities have increased dramatically and in some instances insurance against certain casualties and liabilities is unavailable.

Expiration of Leases. If production cannot commence under the leasehold interests prior to the expiration of such leases, then all rights to such properties and the minerals thereunder will return to the owners of such properties. There can be no assurances that the Underlying Fund will be able to commence drilling activity under any or all of its leases prior to the expiration of such leases due to, among other things, a number of factors that can delay or prevent drilling operations, including: (i) unexpected drilling conditions; (ii) pressure or irregularities in formations; (iii) equipment failures or accidents; (iv) ability to hire and train personnel for drilling and completion services; (v) adverse weather conditions; (vi) compliance with governmental requirements; and (vii) shortages or delays in the availability of drilling rig services and the delivery of equipment.

Non-U.S. Investment Risks

Non-U.S. Investments. A Partnership may invest in Portfolio Investments, and directly and indirectly in companies, that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Partnership), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Partnership and/or the partners with respect to a Partnership's income, and possible non-U.S. tax return filing requirements for a Partnership and/or its partners. The foregoing factors may increase transaction costs and adversely affect the value of a Partnership's investments.

Additional risks of non-U.S. investments include: (i) economic dislocations in the host country; (ii) less publicly available information; (iii) less well-developed regulatory institutions; and (iv) greater difficulty of enforcing legal rights in a non-U.S.

jurisdiction. Moreover, non-U.S. Portfolio Investments and companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. Portfolio Investments and companies.

Currency Fluctuations. Investments may be made and realized in currencies other than the base reporting currency of the Partnership (generally, the U.S. Dollar) and/or the Underlying Funds. Fluctuations in exchange rates may have an adverse effect on the value, price or rate of return of the investments in a given Partnership or Fund.

In addition, a Partnership's commitments to its Underlying Funds, if submitted in other than U.S. Dollars, may fluctuate relative to the base currency as a result of changes in exchange rates. As such, Underlying Funds may need to recall distributions or liquidate certain of its investments prematurely at discounts to market value if the Fund does not generate sufficient cash flow from its investments to offset the amount of the devaluation.

Alternative Investment Fund Managers Directive. In November 2010, the European Union (the "EU") passed new legislation, the Alternative Investment Fund Managers Directive ("AIFMD"), that will regulate the activities of private fund managers undertaking fund management activities or marketing fund interests to investors within the EU. It is currently anticipated that the AIFMD will be implemented in stages between 2013 and 2018. From 2013, the AIFMD will impose restrictions on the management and/or marketing within the EU of funds established outside the EU, such as a Partnership, which may restrict the ability of investors to realize their investments in a Partnership by way of secondary sale.

United Kingdom Exit from the European Union. On June 23, 2016, the United Kingdom ("UK") voted to leave the European Union. As of the date of this Form ADV Update, there has been no change in the status of the UK as a member of the European Union and, pursuant to the European Union constitution, the only method of withdrawal is via Article 50 of the Treaty of the European Union, which provides for a period of up to two years during which the terms of the UK's ongoing relationship with the European Union will be negotiated. There is no way to determine what effect such a withdrawal will have, if any, on the Underlying Fund's investments or on the value of foreign currency.

Tax Risks and Considerations

New Withholding Tax on Certain Non-U.S. Entities. Under the Foreign Account Tax Compliance Act ("FATCA") Legislation enacted in 2010, a new withholding tax of 30% will apply to distributions from a Partnership to non-U.S. entities in respect of most payments attributable to investments in the United States, including distributions attributable to dividends, interest, and gross proceeds of a disposition of stock (including a liquidating distribution from a corporation), unless the foreign entity complies with certain conditions or an exception applies.

Tax-Exempt Investors and UBTI. Tax-exempt investors may recognize UBTI from the Partnership for U.S. federal income tax purposes, and such amounts of UBTI could be significant.

Delayed Annual Income Tax Information Reporting. A Partnership generally will not be able to provide completed Schedule K-1s to limited partners for any given fiscal year until well after March 15 of the following year. The general partner will use its reasonable efforts to provide limited partners with estimates of the taxable income or loss allocated to their investment in a Partnership on or before such date, but completed Schedule K-1s will not be available until a Partnership has received tax-reporting information from its underlying portfolio investments. Limited partners should plan to file extensions for their U.S. federal, state, local and non-U.S. income tax returns. Prospective investors should consult with their own advisers as to the suitability and taxability of an investment in a private investment partnership.

Potential Conflicts of Interest

Conflicting Investment Advisor Interests. The Investment Advisor may manage several Partnerships and investments similar to those in which a new Partnership may invest. In addition, the Investment Advisor may spend a portion of its business time and attention pursuing investment opportunities that do not fall within the investment objectives of a specific Partnership. The general partner believes that the significant investment of the Investment Advisor in each Partnership, as well as the Investment Advisor's interest in the carried interest, operate to align the interest of the Investment Advisor with the interests of the limited partners, although the Investment Advisor has economic interests in such other Partnerships as well and may also receive investment advisory fees and carried interests relating to those interests, too.

Conflicting Limited Partner Interests. Limited partners may have conflicting investment, tax, and other interests with respect to their investments in a Partnership, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the general partner regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the general partner generally will consider the investment and tax objectives of a Partnership and its partners as a whole, not the investment, tax, or other objectives of any particular limited partner.

Item 9 - Disciplinary Information

Legal and Disciplinary

CMC and its employees and affiliates have not been involved in legal or disciplinary events related to past or present CMC investment clients.

Item 10 - Other Financial Industry Activities and Affiliations

Affiliations

CMC is affiliated through ownership and control with the various general partners of each limited partnership for which it provides management and administrative services. CMC uses the administrative and operations support infrastructure of an affiliate, Carson Private Capital Incorporated, to help service the Partnerships.

CMC's affiliation with each of the general partners creates an inherent potential conflict of interest due to the incentive fee that a general partner may earn based upon the profits of each limited partnership. As the general partners put a significant amount of capital at risk through their investment in the limited partnerships, we believe this mitigates the conflict and instead creates a situation where the limited partners' and the general partners' interests are more equally aligned.

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

Code of Ethics

CMC has adopted a Code of Ethics which sets forth high ethical standards of business conduct that CMC requires of its employees and affiliates, including compliance with applicable federal securities laws. The firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

Each employee must certify upon acceptance of employment that he or she has received and read a copy of the Carson Management Company, LLC Code of Conduct and Ethics Policy. They must also agree to comply with the principles and standards set forth by CMC in the Code of Conduct and Ethics Policy.

Failure to abide by the Code of Conduct and Ethics standards will result in disciplinary sanctions, up to and including termination of employment.

Participation or Interest in Client Transactions

CMC is affiliated with the general partner of each limited partnership for which it provides management and administrative services. Each general partner has a material investment in its respective limited partnership. Additionally, employees and affiliates of CMC may invest in these same limited partnerships. All investments are made in accordance with the CMC Code of Ethics.

Personal Trading

Beginning July 1, 2019, all employees will be responsible for uploading their quarterly brokerage statements to CMC for review. The CCO will be responsible for reviewing these statements for adherence to CMC's personal trading restrictions. Alternatively, employees may have their quarterly statements forwarded automatically from their financial institution(s) to Blue River Partners (CMC's outsourced compliance vendor) for review. The CCO's personal brokerage statements are automatically forwarded to Blue River Partners for review.

CMC's Code of Ethics includes policies and procedures for the review of securities transaction reports as well as annual securities holdings reports that must be submitted by all employees. However, employees need not submit annual securities holdings reports if the information reported therein would be duplicative of information contained in broker trade confirmations, notices or advices or account statements already received and reviewed by CMC.

Item 12 - Brokerage Practices

CMC does not have any affiliation with any brokerage firms and does not select or recommend the services of a broker-dealer in relation with its investment management services.

Broker-dealers, and their affiliates/employees may refer potential investors, clients or even possible investment opportunities to CMC. However, CMC does not direct commissions, fees or favorable transactions to these broker-dealers as compensation for such referrals.

Item 13 - Review of Accounts

Periodic Reviews

Client reviews are performed by Michael Hearne, Managing Director and Greg Giannini, CFO and Chief Compliance Officer. These reviews include, but are not limited to, the monthly reconciliation of the Partnership's cash accounts, regular review of account transactions as they occur, and a quarterly review of the Partnership's transactions, allocations and quarterly valuation statements provided to the respective general partners by the Underlying Fund(s).

Regular Reports

The Partnerships provide the following recurring and periodic reports to its investors:

Acquisition Summary – these notify investors that the general partner has committed funds for the acquisition of an investment.

Distribution Summary – this is a summary provided to investors when the partnership distributes proceeds from the sale of an investment.

Capital Call Notice – this is a personalized invoice notifying investors that a portion of their commitment is due.

Investment Schedule – this is a personalized schedule provided to investors when there is a capital call or when there is a capital distribution.

Estimate of Taxable Income – this is a personalized schedule provided to investors at the end of the calendar year that includes important estimated tax information.

Annual Portfolio Review – this is a statement provided to investors that includes a review of each investment partnership and the official valuation of the investor's interest in each fund as of the end of the most recent calendar year.

Annual Audited Financial Statements – these are provided to investors in each Partnership on an annual basis (within 180 days) in accordance with the terms of each Partnership's limited partnership agreement.

IRS Schedule K-1s – these are provided to investors as soon as possible after the end of the Partnership's fiscal year.

Item 14 - Client Referrals and Other Compensation

CMC does not accept referral fees or any other form of remuneration from other professionals when a prospect or client is referred to or from them.

Item 15 - Custody

Account Statements

CMC's clients invest primarily in interests of privately-held limited partnerships, member interests in private limited liability companies and/or interests in non-public companies. Excess cash is held in separate accounts by reputable qualified custodians, such as national banks, which provide monthly statements to each Partnership, which are further reconciled back to each Partnership's cash ledger.

Each Partnership is audited on an annual basis by an independent certified public accounting firm, registered with the Public Company Accounting Oversight Board (PCAOB). A copy of the independent auditor's report is distributed to each individual investor in each Partnership within 180 days of the Partnership's fiscal year end.

Item 16 - Investment Discretion

Discretionary Authority

As the contractual investment advisor to the Partnerships, CMC is granted the discretionary authority in the applicable offering and organizational documents and/or investment management agreements to determine which private equity buyout funds or energy investments should receive commitment of Partnership capital.

Item 17 - Voting Client Securities

Proxy Votes

As the contractual investment advisor to the Partnerships, CMC is granted the discretionary authority in the relevant organizational documents and/or investment management agreements to vote any and all proxies on behalf of the Partnerships.

CMC follows the proxy voting policy contained in CMC's Policies and Procedures manual. This procedure dictates that CMC evaluate all pertinent information related to

the vote and vote the proxy in the manner that reflects the best interest of the Partnership, taken as a whole, and not for the benefit of any particular limited partner.

The procedure is overseen by the Managing Director and the CCO and information regarding proxy votes conducted by CMC and a copy of CMC's proxy voting policies and procedures are available upon request.

Item 18 - Financial Information

Financial Condition

CMC's financial condition is sufficient so that it would not impair its ability to meet its continued commitments to manage the activities of its Clients. CMC receives its management fee quarterly in advance. The quarterly fees are payable on January 1st, April 1st, July 1st and October 1st. CMC is audited on an annual basis by an independent certified public accounting firm, registered with the Public Company Accounting Oversight Board (PCAOB).