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**March 25, 2019**

This brochure provides information about the qualifications and business practices of Haddington Ventures, LLC. If you have any additional questions about the contents of this Brochure, please contact us at 713.532.7992. 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.

Haddington Ventures, LLC is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Haddington Ventures, LLC is available on the SEC's website at <http://www.adviserinfo.sec.gov>.

## **Item 2. Material Changes**

This brochure dated March 25, 2019 has been prepared according to the requirements and rules promulgated by the United States Securities and Exchange Commission (“SEC”).

This Item will discuss only specific material changes that are made to the brochure and our business and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

Pursuant to SEC Rules, we will prepare a summary of any material changes to this Brochure within 120 days of the close of our fiscal year.

Currently, our Brochure may be requested by contacting Scott Jones at 713.532.7992 or emailing your request to Haddington at [sjones@hvllc.com](mailto:sjones@hvllc.com).

Additional information about our firm is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any of our affiliated persons who are registered, or are required to be registered, as investment advisor representatives of Haddington Ventures, LLC.

### Material Changes:

Haddington Ventures, LLC (“Haddington”) last filed its Form ADV Part 2A brochure on March 27, 2018. This current brochure reflects the following material changes since the previous filing:

1. Haddington revised Item 4 to update the Regulatory Assets Under Management.

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#### **Item 4. Advisory Business**

Haddington Ventures, LLC (“Haddington”) is a federally registered investment adviser that provides investment management services to clients (each, a “Client” and together, “Clients”), as further described below. Haddington is a Delaware limited liability company which has been in business since August, 1998. Haddington is owned by J. Christopher Jones, M. Scott Jones and John A. Strom, each of whom is a managing member of the firm.

The investment management services Haddington provides (the “Services”) consist of portfolio management services for pooled investment vehicles and sponsors of pooled investment vehicles. Affiliated entities of Haddington serve as the General Partner for each of the pooled investment vehicles to which Haddington currently provides Services (each, a “Fund” and together the “Funds”). While Haddington specializes in the investment and management of securities within a particular industry, Haddington does not hold itself out as specializing in a particular type of advisory service. The Services are discretionary in nature and consist of the ongoing and continuous review of the companies in which Haddington invests Client assets.

Though Haddington employs the same investment strategy for each of the Funds managed by Haddington, Haddington tailors its Services to the specific needs of each particular Fund by complying with the terms of each Fund’s governing documents or other limitations which the Fund may request. The Funds may communicate to Haddington restrictions on securities, asset classes, custodians or any other restriction they would like to impose on their portfolios. Typical limitations include imposing a limit on the amount of committed capital in a Fund to any particular holding.

As of December 31, 2018, Haddington had \$433,152,948 in discretionary assets under management.

#### **Item 5. Fees and Compensation**

Haddington charges the Funds an investment management fee for its services. The fees are calculated and payable quarterly in advance. The management fee ranges from 1.5% to 2.0%. The Funds may enter into side agreements and negotiate fees that require investors to contribute management fees to the Fund according to any specific terms as outlined in the side agreement. These fees may be lower than the management fees as disclosed in the offering documents and payable pursuant to the Partnership Agreement. Additionally, distributions to investors in the Funds are typically subject to some form of carried interest or similar profit allocation for the benefit of one or more of Haddington’s affiliates. For more information, please see Item 6 (Performance-Based Fees and Side-By-Side Management).

Fees are generally paid by or on behalf of Funds by requiring the investors in the Funds to make a capital contribution in respect of such fees. Fees paid by Funds may, as described in the governing documents for the Funds, require a minimum capital commitment from all investors. Fees paid by the Funds are deducted from accounts by the General Partner and paid to Haddington.

In addition to the advisory fees paid by the Funds, the Funds will incur other expenses in connection with obtaining services such as travel expenses incurred by Haddington employees and others for attending board meetings of the portfolio investments, third party expenses incurred in connection with the operation of the Funds or the investment portfolio. These third party fees may include the costs and expenses related to the purchase, evaluation of, holding and sale of portfolio investments (to the extent not reimbursed); expenses of any agents, custodians, counsel and

accountants (including audit, tax preparation and certification fees); any insurance, indemnity or litigation expenses, certain taxes, fees or other governmental charges levied against the Funds; out-of-pocket expenses and other extraordinary expenses associated with the management or offering of the Funds. All such fees are discussed in the governing documents for each of the Funds.

For all Funds, the investment advisory fee may be reduced by a percentage of transaction fees, investment banking fees, break-up fees, advisory fees, monitoring fees, or other similar fees earned by the Fund's general partner or adviser as a result of services performed by it for the benefit of the Fund or a Fund's portfolio company, net of out-of-pocket expenses incurred in connection with the fees.

There may be other fees and expenses as well depending upon the particular investments of each Fund. Investors and prospective investors in the Funds should review offering documents for any particular investment carefully before investing.

Haddington does not typically invest in public companies or securities where brokerage costs apply to the purchases or sales of shares and as a result, brokerage expenses are not typically imposed on Clients' transactions. In the event Haddington decides to invest in securities with respect to which brokerage costs would apply, the Client will bear any such costs or expenses. Haddington does not have any affiliated brokers or dealers.

#### **Item 6. Performance-Based Fees and Side-By-Side Management**

Performance-based fees or carried interest profit allocations are subject to regulation under Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Haddington seeks to ensure that any Client or investors in a Fund that are directly or indirectly assessed performance-based fees or are subject to carried interest profit allocations satisfy the qualifications of Rule 205-3 and have been advised of such fees or allocations and their risks.

Clients may be charged performance-based fees or carried interest. The performance-based fees or carried interest allocations will not exceed 20% of profits and are subject to certain preferred return hurdles. The performance-based fees or carried interest allocations are paid to the general partner of the relevant Fund. The manner of calculation and the application of performance-based fees or carried interest profit allocations are disclosed in the governing documents for each of the Funds which are charged such fees. The Funds may enter into side agreements and negotiate carried interest profit allocations that may be lower or higher than the carried interest profit allocations as disclosed in the offering documents.

Haddington manages accounts which are charged performance-based fees ("Primary Funds") as well as accounts which are not charged performance-based fees ("Co-Investment Funds"). As a result, Haddington potentially has an incentive to favor Primary Funds over Co-Investment Funds. Co-Investment Funds are Funds generally made up of investors who are already invested in a particular Primary Fund, and are set up to permit existing Primary Fund investors to make additional investments in a particular portfolio company investment held by the Primary Fund. Interests in Co-Investment Funds are offered to all investors in the relevant Primary Fund on a pro rata basis. Pursuant to the governing documents of each Co-Investment Fund, Haddington is obligated to invest the assets of each such Co-Investment Fund in parallel to the relevant Primary Fund. Thus, the potential conflict is addressed by the fact that contractually, investments are allocated between vehicles in a pro rata fashion based on capital commitments regardless of whether or not the parallel vehicles are charged performance based fees.

Haddington also potentially has an incentive to take increased investment risk with respect to accounts which are charged performance-based fees. Haddington has policies and procedures in place designed to address this conflict and to ensure allocation of investments to client accounts on a fair and equitable basis, taking into account factors such as the Client's size, investment objectives, risk tolerance, return targets, diversification considerations, and the liquidity needs of each Client.

#### **Item 7. Types of Clients**

Haddington provides Services to pooled investment vehicles. Haddington has the discretionary authority to buy or sell, or determine the securities to buy or sell, without the Client's consent. Haddington has no minimum requirements for opening or maintaining an account; however, the Funds themselves may require that Limited Partners in the Funds meet a minimum capital commitment. Such minimums are set by the Funds and their General Partners, not Haddington. The minimum capital commitments required by each Fund may differ.

#### **Item 8. Method of Analysis, Investment Strategies and Risk of Loss**

Haddington specializes in identifying opportunistic trends and needs across the energy industry and Haddington primarily invests in small to medium sized companies which Haddington believes are positioned to capitalize on the changes in energy and economic cycles. Haddington identifies investment opportunities using a top-down approach, analyzing factors such as macro industry characteristics, opportunistic industry trends, market size and growth, valuations, competition and exit opportunities.

Haddington looks for companies or development opportunities which meet certain criteria prior to recommending such companies for investment. Such criteria may include, a competitive edge in their markets, attractive market capitalization, a proven management team, reasonable valuations, low debt levels and strong operating performance. Haddington looks to invest across the broad energy industry, analyzing the cycles which occur in varying segments. Haddington seeks out opportunities which will permit Haddington to play a control role in the management of a company and Haddington aims to obtain controlling board representation in each target investment. Investments are typically held between four to seven years, permitting time to build value.

Haddington also reviews potential exit strategies for prospective investment opportunities. Generally, exits will be sales to strategic companies for cash or a highly liquid security rather than initial public offerings.

Investing in securities and other financial instruments involves risks, including the potential loss of the Fund's principal, which the Fund and its investors should be prepared to bear. While certain strategies may offer the potential for greater growth, these same strategies may have greater potential volatility. While it is Haddington's intent to reduce risk when possible, certain strategies may impose more risk than others.

Haddington may make foreign investments ("Non-U.S. Investments"). Investing in Non-U.S. investments will subject a client to certain risks not typically associated with investing in securities in the United States. Non-U.S. investments may be affected by changes in currency rates. A decline in an exchange rate of the foreign currency in which a portfolio security is quoted or denominated relative to the U.S. dollar would reduce the value of the portfolio security in U.S. dollars.

proportionately. The costs and expenses associated with investing in Non-U.S. markets are generally higher than in U.S. markets. There generally may be less publicly available information regarding Non-U.S. Investments than U.S. companies. In addition, certain Non-U.S. economies are less stable than the U.S. economy due to, among other things, volatile political environments and less stable monetary systems.

Haddington invests in a particular market sector and in a limited number of investments. As a result, there is greater risk that a Client's portfolio may be impacted by the unfavorable performance of a single investment.

Investments in the energy industry have specific risks, such as the risk that the technology employed in an energy project will not be effective or efficient or the risk of equipment failure, fuel interruptions, loss of sale and supply contracts or fuel contracts, acts of God or other catastrophes. Other risks associated with investments in this industry include regulatory, environmental, supply-and-demand, uncertainty of energy source availability, conservation efforts or governmental events.

Within the energy sector, the investment in oil and natural gas may be subject to higher risks as a result of problems in drilling and completing of wells, the presence of unanticipated pressures or irregularities in formations, accidents or other losses. Investments in oil and gas businesses are highly speculative and often rely on estimates of oil and gas reserves.

The prices of oil and natural gas are inherently uncertain. The worldwide supply of oil and natural gas may be impacted by political instability or armed conflicts in producing nations, the price of foreign imports, availability of alternative fuels and changes in existing governmental regulation, taxation and price controls. Prices for oil and natural gas have fluctuated greatly during the past, and markets for oil, natural gas and natural gas liquids continue to be volatile.

The impact of terrorist attacks or regional hostilities (particularly in the Middle East) may have a significant impact on the energy industry. The impact of such attacks or hostilities on investments recommended by Haddington is not known at this time. Uncertainty surrounding military strikes or a sustained military campaign may affect the operations of the companies in unpredictable ways, which may include significant costs or losses.

Regulation of the energy industry is significant. Political developments and a wide range of laws, rules and regulations (at many governmental levels) can impact the operations and economics of energy companies.

Haddington has no minimum credit standards as a prerequisite to investments in convertible debt and in the event that the investment in such convertible debt results in an investment in non-investment grade debt, there are additional risks in such an investment. In return for the higher yield these securities typically offer, the investor is accepting the risk that they may not receive payment of interest nor the repayment of the principal of their investment.

Many of the investments recommended will be highly illiquid and there can be no assurance that such investments can be liquidated or transferred in a timely manner.

Small and mid-capitalization stocks may be subject to higher degrees of risk, because stocks of this kind may have earnings which are less predictable, prices which are more volatile, and liquidity less than that of large capitalization securities.

Performance is largely dependent on the talents and efforts of certain individuals. There can be no assurance that Haddington's investment professionals will continue to be associated with Haddington and the failure to retain such investment professionals could have an adverse effect on

the value of an investment.

As described in Items 5 and 6, performance-based fees and carried interest may create an incentive for Haddington to invest in investments which have increased investment risk in order to generate such fees.

#### **Item 9. Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Haddington or the integrity of Haddington's management. There are no material legal or disciplinary events to disclose related to Haddington's business or its management.

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

Haddington is not affiliated with any particular broker-dealer, nor does Haddington have personnel who are registered representatives of a broker-dealer. Neither Haddington nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor.

Haddington does not recommend or select other investment advisers. It does not receive compensation from any advisers or third parties.

Certain of Haddington's affiliates serve as sponsors or syndicators to pooled investment vehicles organized as limited partnerships (collectively, the pools and their general partners are referred to as the "Haddington Affiliates"). Haddington serves as the investment manager to each of these pooled investment vehicles. Please see Item 11 for a discussion of the potential conflicts which may arise with these Haddington Affiliates and the policies and procedures Haddington has adopted to address these conflicts.

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

Haddington has adopted a Code of Ethics that complies with Rule 204A-1 under the Advisers Act. The Code of Ethics applies to all of Haddington's supervised persons. The term "supervised person" means any partner, officer, director (or other person occupying a similar status or performing similar functions) or employee of Haddington, or other person who provides investment advice on behalf of Haddington and is subject to Haddington's supervision and control.

Haddington's Code of Ethics addresses the following areas of Haddington's business: procedures for personal securities transactions of Haddington's partners, directors, officers and employees; and initial public offerings and private offerings. Each officer, director and employee is required to certify annually that he or she has read and understands the Code of Ethics. Haddington will provide a copy of its Code of Ethics to any Client or prospective Client upon request. Please contact Scott Jones at [sjones@hvllc.com](mailto:sjones@hvllc.com) for a copy.

Purchases or sales of securities by Haddington, its directors, officers and employees must be effected in accordance with Haddington's Code of Ethics, which includes a personal trading policy. Haddington supervised persons are required to obtain pre-approval for certain securities transactions.



Haddington's Chief Compliance Officer is responsible for ensuring that Haddington receives duplicate brokerage confirmations and brokerage account statements for anyone associated with Haddington who has a securities account with a broker-dealer. A review of the trading activity of Haddington personnel conducted via such securities accounts will be conducted quarterly to ensure that the personnel comply with Haddington's personal trading policy.

Haddington advises Funds which have investment focuses which are similar to one another. In particular, the Funds may co-invest in certain investments alongside each other to the extent that Haddington has determined that such co-investment opportunities are available. Such co-investments will be done in accordance with each Fund's governing documents and Haddington will seek to ensure that each Fund participates on comparable terms. This may not be practical or appropriate in all circumstances however, and as a result, a Fund may participate on different (and potentially less favorable) terms if Haddington deems such participation as being otherwise in the applicable Fund's best interests. Haddington will otherwise allocate investment opportunities among the Funds in a fair and equitable manner or otherwise in accordance with related disclosure provided to the relevant Funds and their underlying investors or as may have been otherwise agreed to in the limited partnership agreements or other Fund governing documents.

## **Item 12. Brokerage Practices**

Typically, brokers are not involved in the purchases or sales of investments for the portfolio holdings of Haddington's Clients because such investments generally involve private transactions in private companies. To the extent Haddington is required by applicable law, and in the event Haddington invests in a marketable security where the involvement of a broker is required, Haddington has a fiduciary duty to seek to obtain best execution on behalf of each Client. Brokers will be selected with a view to obtaining best execution of transactions. Haddington believes that best execution is typically achieved not necessarily by negotiating the lowest commission rate but by seeking to obtain the best overall result. Haddington will consider all factors it deems relevant including execution capabilities, financial stability of the broker, responsiveness, confidentiality, promptness, clearance, settlement, and price. Given the nature of Haddington's business, where investments are made primarily in private companies, without the aid of a broker, Haddington does not effect block trades nor does Haddington recommend, request or require that a Client direct Haddington to execute transactions through a specified broker-dealer. Instead, all Clients receive interests of ownership or shares at the prices set by and in transactions agreed to by the acquired company and Haddington.

Haddington does not receive research, products or services other than execution from broker-dealers or third parties in connection with client securities transactions.

Haddington does not typically arrange for a cross trades between Funds, where one Fund buys a security and another Fund sells the same security to the buying Fund (i.e., where such securities cross from one Client account to another Client account). To the extent that Haddington does effect cross trades between Funds, it will do so only if the conditions are in the best interest of the impacted Funds. The governing documents of each Fund provide a mechanism for approval of cross trades, and in some circumstances, any such cross trade may be effected only upon approval of the Investor Committee of the relevant Funds' or by super-majority approval of the investors themselves. Haddington will not receive any compensation for facilitating cross trades.

### **Item 13. Review of Accounts**

Haddington reviews the Funds' holdings on an ongoing basis, both informally and formally through meetings of the Haddington Investment Committee, which is composed of the firm's principals and its team of investment professionals. Investment models and capital markets are monitored on a continuous basis. Haddington personnel prepare written quarterly reports regarding the Funds and their holdings and the Investment Committee reviews such reports. The quarterly reports contain a detailed list of holdings, performance review, and quarter and year-end financial statements.

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

This Item requires an investment adviser to provide information relating to its arrangements with third-parties through which it receives compensation from a third-party for providing investment management services to its clients or through which it provides compensation to third-parties for client referrals. Haddington does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to Clients of Haddington.

### **Item 15. Custody**

Certain Haddington affiliates have custody of certain Fund assets. Each of these Funds and their investors receive annual audited financial statements from the Fund's auditor, within 120 days of the end of the Fund's fiscal year. Cash and certain other assets are custodied with a Qualified Custodian, in accordance with the requirements of Rule 206(4)-2 of the Advisers Act. For those Fund assets held by a Qualified Custodian, the Qualified Custodian sends statements to the relevant Fund at least quarterly in accordance with Rule 206(4)-2. An independent public accountant audits annually the Funds and the audited financial statements are distributed to the investors in the pools.

### **Item 16. Investment Discretion**

At the outset of an investment advisory relationship, Haddington receives discretionary authority from each Fund to select the securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to investors in the Funds prior to investment in the relevant Fund. The Funds provide Haddington with such discretionary authority through a limited power of attorney and such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Fund's account.

Investment guidelines and restrictions must be provided to Haddington in writing. In most cases, a Client's investment guidelines and restrictions will be set forth in the investment management agreement or in the Funds' governing documents.

### **Item 17. Voting Client Securities**

Given Haddington's role as an adviser to private equity funds that seek opportunities to acquire control positions in portfolio companies, Haddington actively engages in the management of such portfolio companies. Thus, Haddington or its related persons may on occasion handle proxies. In such circumstances, Haddington votes proxies in a manner which is consistent with its fiduciary obligations.

Haddington votes proxies in a manner consistent with the best interest of each relevant Fund. Haddington has established guidelines for voting such proxies. Generally, Haddington will cast proxy votes in favor of proposals that maintain or strengthen the interests of shareholders and management or that increase shareholder value. Haddington considers other factors as set forth in Haddington's policies and procedures. Haddington may depart from its guidelines in order to avoid voting decisions believed to be contrary to the best interests of Haddington's Clients.

Clients may discuss proxies and/or receive a copy of Haddington's voting policies and guidelines by calling Haddington at 713.532.7992.

Haddington may elect to participate in class action lawsuits involving securities owned on your behalf.

### **Item 18. Financial Information**

This Item requires investment advisers to provide certain financial information or disclosures about their financial condition. Haddington does not require prepayment of fees six months or more in advance. Therefore it is not required to include a balance sheet with this Brochure. Haddington has no financial hardships or other conditions that might impair its ability to meet its contractual obligations to Clients. Haddington has not been the subject of a bankruptcy proceeding.