
Part 2A of Form ADV: Firm Brochure

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Item 1 – Cover Page

This brochure (the “Brochure”) provides information about the qualifications and business practices of LSCP Advisors, LLC (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at 512.407.2600. 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.

LSCP Advisors, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about LSCP Advisors, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This brochure differs from the previous version, dated March 2023, in the following material respects:

- The Firm updated its assets under management in Item 4.
- The Firm updated Item 4 to reflect the creation of a new master-feeder investment vehicle.

In this item, LSCP Advisors, LLC will periodically identify and discuss material updates to the Brochure. This is intended to inform current and prospective clients of important developments that may take place in the Adviser's business practices.

Pursuant to SEC rules, the Adviser will ensure that its clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of its business fiscal year. The Adviser may further provide other ongoing disclosure information about material changes as necessary.

Currently, the Brochure may be requested by contacting the Adviser's office at 512.407.2600.

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Item 4 - Advisory Business

- A. The Adviser is an investment advisory firm registered with the U.S. Securities and Exchange Commission (the “SEC”). The Adviser’s registration as an investment adviser does not imply any level of skill or training. The oral and written communications the Adviser provides you, such as this Brochure, include information you can use to evaluate the Adviser and other advisers, which are factors in your decision to hire the Adviser or to continue to maintain a mutually beneficial relationship. This Brochure provides information about the Adviser’s qualifications and business practices.

The Adviser was formed as a Texas limited liability company in 2016. The Adviser is located in Austin, Texas and specializes in private debt and equity investments in the energy, real estate, infrastructure, manufacturing, specialty finance, and technology sectors. Patrick Starley and Todd Stoller are the principals/managers of the Adviser (the “Principals”), and the Adviser’s sole equity owners (through affiliate entities).

The Adviser has recently created an investment vehicle with as a “master-feeder” structure with a master fund (the “Master Fund”), and three feeder funds (the each a “Feeder Fund” and collectively, the “Feeder Funds”). Additionally, the Adviser merged four of its investment vehicles (each a “Fund”, and collectively, the “Funds”) into a Feeder Fund.

- B. The Adviser provides investment advisory services on a discretionary basis for multiple pooled investment vehicles that the Adviser sponsors.

Typically, the Funds will be closed-end limited partnerships in which investors subscribe for limited partner interests. The Funds primarily invest directly or indirectly in real assets (such as real property and/or oil and gas royalty, production, and mineral interests) and the securities of privately-held companies. Each Fund may have different investment strategies and may have different investment restrictions. The purchase of the interests offered in each Fund is suitable for persons who can afford to hold the interests for an indefinite period and to assume the risks of and bear the possible loss of their entire investment in the interests.

The Adviser may also serve as the sponsor of entities that serve as feeder vehicles into the Funds. Additionally, in order to meet tax, regulatory or other requirements, certain investors may invest in substantially the same portfolio as the applicable Funds through specially formed investment vehicles, which also are advised by the Adviser.

From time to time, the Adviser may establish, on a transaction-by-transaction basis, investment vehicles and accounts through which certain persons may invest alongside one or more Funds (each such pooled investment vehicle and account, a “Co-Investment Vehicle”). Generally, when a Co-Investment Vehicle is established for a particular transaction, it is contractually required, as a condition of its investment, to exit its investment at the same time and on the same terms as the applicable Fund that also is invested in such transaction.

The Adviser’s only advisory clients are the Funds.

- C. Investment advisory services include working with Funds to establish an investment objective and selecting portfolio investments utilizing the Adviser’s overall investment strategy, which

focuses on making private debt and equity investments in the energy, real estate, infrastructure, manufacturing, specialty finance, and technology sectors.

While the Adviser's services with respect to each of its Funds generally follows the broad strategy described above, the Adviser may tailor the specific advisory services with respect to each Fund to the individual investment strategy of such Fund.

The terms upon which the Adviser will provide investment advisory services to each Fund are determined at the time such Fund is established and are generally set out in a separate management agreement with such Fund and in the limited partnership agreement, limited liability company agreement or other organizational document governing such Fund. These terms, which vary among Funds, generally include restrictions on the types of securities and other assets in which the Fund may invest, the amount of assets that may be invested in any portfolio company or industry, the industries in which the Fund may invest, and borrowing, among others. The Adviser also may enter into side letter agreements with certain investors in the Funds, establishing rights under, or supplementing or altering the terms of, the applicable limited partnership agreement, limited liability company agreement or other organizational document and subscription agreement relating to such Funds with respect to such investors. Once invested in a Fund, investors cannot impose additional investment guidelines or restrictions on such Fund.

- D. The Adviser does not participate in wrap fee programs.
- E. As of December 31, 2023, the Adviser manages approximately \$523,820,830 in discretionary portfolios and \$0 in non-discretionary portfolios.

Item 5 - Fees and Compensation

- A. Below is a discussion of how the Adviser is compensated in connection with providing advisory services to its Funds. The Adviser may enter into different fee arrangements on a Fund-by-Fund basis.

The Adviser (or affiliates under common control with the Adviser) will generally receive management fees and/or performance fees (also known as carried interests) (assuming certain regulatory requirements are satisfied) in connection with the advisory management services that the Adviser provides to its Funds. Management fees, performance fees, and any other compensation payable to the Adviser or its affiliates for such services to a Fund and its investors are generally set forth in each Fund's limited partnership agreement or other governing documents, and in intercompany agreements negotiated with each Fund, and will depend on a number of factors.

Management Fees. The management fees received by the Adviser, or its affiliate will be based on committed and/or invested capital in accordance with the terms of the partnership agreement or other governing documents of the applicable Fund and/or a separate investment management agreement. Current management fees will typically be up to 1.0% of the aggregate capital commitments made by the investors during the entire term of the Fund plus/or up to 2.0% of the Fund's aggregate invested capital as of the month of calculation.

Carried Interest. The general partners of each Fund that are affiliates of the Adviser typically receive carried interest allocations from such Fund of up to 20% of distributable cash, determined with respect to each Fund on a whole fund basis. Carried interest allocations may be subject to preferred return hurdles and/or claw-back obligations, depending on, among other things, the strategy of the relevant Fund and market terms at the time of the Fund's formation.

As indicated above, the fees and other compensation payable to the Adviser or its affiliates by its Funds are established at the time of the formation of the relevant Fund and sometimes negotiated with key participating investors prior to their investment. Specific details of such compensation and expenses, and their method of calculation are set out in the offering materials, disclosure documents and governing documents of the relevant Fund and, as indicated, may vary from Fund to Fund. Once the relevant Fund has been established and commenced operations, such compensation and expenses are generally not negotiable, although the Adviser may, from time to time, enter into side letter agreements or other arrangements with specific investors in certain Funds whereby such investors receive reductions of management fees or other compensation otherwise payable with respect to their investment in such Funds. Affiliates of the Investment Adviser may receive a 50% reduction in Management Fees and Carried Interest.

- B. Management fees typically will be calculated and paid monthly in advance, subject to the terms of the relevant governing documents applicable to each Fund. The general partners of each Fund may make capital calls on investors in such Fund for the amount of the management fees and remit the amounts received to the Adviser or other affiliates. The Adviser and its affiliates generally have the authority to deduct fees from the Funds' accounts.
- C. Each Fund will typically pay, or reimburse the Adviser or its affiliate for, all direct and indirect expenses it incurs or payments it makes on behalf of the Fund (including fees and related expenses incurred on behalf of the Fund for professional services rendered by third parties,

such as accounting fees, title examination fees, and attorneys' fees; travel expenses and other pursuit costs associated with the business of the Fund; and expenses related to formation of the Fund). Investors in the Funds will typically not receive a reduction in management fees in respect of the Fund's expenses.

In addition, the Fund may pay to the Adviser or its affiliate a one-time Due Diligence & Operating Expense Reimbursement ("DDR") for the time and effort expended by the Adviser or its affiliate in structuring, evaluating, and conducting due diligence in connection with the decision to invest in, and providing other services essential to the selection, acquisition, and disposition of, the Fund's investment(s), including directly-related operating expenses of the Adviser or its affiliates. The DDR will vary but will not exceed in the aggregate, a pre-determined amount set forth in the Fund's partnership agreement or other governing document. The cost of the DDR will be allocated to the Fund investors in proportion to their respective Fund interests, and the DDR is not considered a management fee payment.

The Adviser does not typically collect transaction, monitoring, advisory, investment banking, directors', break-up, or other similar fees with respect to the investments or investment activities of its Funds.

The Adviser does not maintain any trading accounts and does not use "soft" dollars.

Please refer to Item 12, Brokerage Practices, for more information.

It is critical that investors and prospective investors refer to the respective Fund's disclosure documents (as applicable) and/or governing documents for a complete understanding of how the Adviser and the applicable general partner are compensated for advisory services. The information contained herein is a summary only with respect to current Fund client(s) and is qualified in its entirety by the applicable Fund's disclosure documents and/or governing documents.

- D. Subject to the terms of the applicable Fund organizational documents and/or separate investment management agreements, (i) Fund management fees are typically payable monthly in advance, (ii) the Adviser or its affiliate will refund any pre-paid management fees by a Fund if the advisory contract with such Fund is terminated before the end of the billing period, and (iii) management fee refunds are typically calculated on a pro-rata basis for partial periods.
- E. Other than as described above, neither the Adviser nor any of its supervised persons receive any compensation from the sale of securities or other investment products.

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

As stated in Item 5 above, the Adviser or its affiliates may receive a profits interest (or “carried interest”) in certain Funds, typically entitling the Adviser or its affiliate to receive 20% of the distributable cash of the Fund (subject in many cases to the return of investor capital, receipt by investors of preferred returns, etc.). These carried interests are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Carried interest may create an incentive for the Adviser or its affiliates to cause Funds to make investments that are riskier and more speculative than would be the case in the absence of a carried interest. Carried interest may also create an incentive to favor those Funds in which a greater carried interest is held over other Funds in the allocation of investment opportunities. The terms of the carried interest and the accompanying right to participate in Fund distributions may also give the Adviser’s affiliates (the general partners or managers of the Funds) an incentive to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors. Although certain Fund governing documents contain “claw-back” provisions requiring the general partner of such Funds to return excess distributions to investors in the event the carried interest recipient receives more than its carried interest percentage of profits on an aggregate basis over the life of the Fund, the return of such distributions to the investors would generally be delayed until the end of the Fund’s term and subject to the ability of carried interest holder to pay.

To address these conflicts of interest, the Adviser and its affiliates endeavor to identify potential Fund investments prior to establishing new funds and manage Funds in accordance with the investment strategy disclosed in such Fund’s private placement memorandum, if any, to help ensure that investors are aware of the investment strategy and the risks associated with the strategy. The private placement memoranda of certain Funds contain further details regarding the carried interest of such Funds, and risks and strategy disclosures.

Item 7 - Types of Clients

The Adviser provides investment advisory services to the Funds, which are pooled investment vehicles organized as private funds — entities that are investment partnerships or other investment entities formed under domestic or foreign laws and are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”).

Generally, investors participating in the Funds are required to meet certain suitability and net worth qualifications, including qualifying (a) as an “accredited investor” as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), (b) as a “qualified client,” for purposes of the Advisers Act, or (c) as a “knowledgeable employee” within the meaning of Rule 3c-5 of the Investment Company Act, depending on the applicable eligibility requirements of the respective Fund.

The Funds are or will be invested in by a broad range of U.S. and non-U.S. investors, including, among others:

1. Individual investors;
2. Private retirement and profit-sharing plans;
3. Trusts;
4. Charitable foundations;
5. Educational endowments;
6. Corporations and investment partnerships;
7. Hedge funds;
8. Funds of funds; and/or
9. Other business entities.

The Funds generally have specified minimum investment amounts set forth in their respective offering materials, disclosure documents and/or governing documents. This amount is generally at least \$1 million, but lower capital commitments may be accepted in the discretion of the general partner of each Fund.

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

- A. The Adviser's objective is to (i) preserve capital through asset quality and investment structure, (ii) create long-term capital appreciation and (iii) generate recurring cash flow through assets with a long-term generational view.

The Adviser targets investments in funds and companies with assets in demonstrated markets with stable financial performance, proven managerial expertise, securable assets, and distributable cash, as well as investments that offer attractive growth opportunities in sectors (including real estate, debt financing, and oil and gas) that match its general investment thesis and strategy. The Adviser leverages multi-industry relationships and partners with accomplished management teams or specialist managers with historically proven track records in industries with strong long-term fundamentals and positive cyclical timing. This enables the Adviser to focus on opportunities in non-competitive situations to quickly deploy capital to secure better acquisition pricing and create higher overall returns with lower levels of risk.

The Adviser's Principals and analysts, and its affiliate's Investment Committee, diligently seek to identify and mitigate risk through extensive market research and detailed company diligence to provide a thorough understanding of the value drivers and execution dynamics of the opportunities in which the Adviser invests. The Adviser utilizes risk mitigating capital structures and invests throughout the capital stack to further enhance investment returns while reducing downside risk.

Identifying and participating in attractive investment opportunities and assisting in the building of successful enterprises generally involves a certain amount of risk. There generally will be little or no publicly available information regarding the status and prospects of companies or assets in which the Funds invest. Many of the Adviser's investment decisions will be dependent upon the ability of its investment professionals and agents to obtain relevant information from non-public sources, and the Adviser and the general partners or managers of the Funds often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impractical to verify.

The marketability and value of each investment will depend upon many factors beyond the Adviser's control. Fund investments may have substantial variations in operating results from period to period, face intense competition and experience failures or substantial declines in value at any stage.

An otherwise successful investment in a business or asset may yield poor investment returns if it is unable to consummate and execute a timely exit strategy. The receptiveness of potential acquirers of investments will vary over time and, even if an investment is disposed of via a merger, consolidation or similar transaction, a Fund's securities or other interests in the surviving entity may not be marketable. Generally, the investments made by each Fund will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. In most cases, a Fund's investments will be long-term in nature and may require many years from the date of initial investment before disposition. Voluntary withdrawals of investors from the Funds are generally not permitted without the consent of the applicable Fund's general partner.

- B. ***Potential investors in each Fund should be aware that an investment in such Fund involves a high degree of risk. There can be no assurance that the Fund's investment objective will***

be achieved, or that an investor will receive a return of its capital. In addition, there will be occasions when the Adviser or its affiliates may encounter potential conflicts of interest in connection with one or more Funds. The following considerations should be carefully evaluated before making an investment in a Fund.

It is critical that investors and prospective investors refer to the respective Fund's disclosure documents and/or governing documents for a complete overview of such Fund's investment strategy and the Adviser's methods of analysis. The following risk factors are generally applicable to investors in the Funds. Additional risks that are specific to an investment in each Fund are set forth in the private placement memorandum and other offering materials for such Fund.

I. GENERAL INVESTMENT RISK

Partial or entire loss of investment. No guarantee or representation is made that the Fund's investment objectives of achieving significant positive cash flows or a significant return on investment will be successful. The partial or entire loss of investment capital is possible.

Illiquidity of investment. The Funds will not invest in securities that will be publicly traded or assets that can be easily liquidated. Likewise, there is currently no liquid trading market (and there may never be a liquid trading market) for the interests in the Funds. These investments may be difficult to value and to sell or otherwise liquidate, and the risk of investing in the Funds is therefore greater than the risk of investing in a publicly traded company. Moreover, the Funds are not subject to the disclosure or regulatory requirements that generally apply to publicly owned companies.

The Funds may be unable to liquidate their investments or may be unable to do so at a profit. Similarly, there can be no assurance that there will be a purchaser for any investor's interest or a purchaser who is willing to acquire the Fund's assets. Because there is no established secondary market for the Fund interests, the investors must be prepared to hold their interests for an indefinite period of time. In addition, the interests are subject to substantial transfer restrictions, including the requirement that the general partner approve any transfer not made for certain estate planning purposes. An investor should not purchase any Fund interests with funds for which the investor anticipates a need in the future.

Use of leverage. The Funds may use leverage in their investment and production strategies. The use of leverage will allow the Funds to acquire and pay costs associated with additional working interests or other mineral interests, thereby increasing their exposure to assets, such that their total assets may be greater than their capital; however, leverage will also magnify the volatility of the Funds' investments and business-related income and could result in substantial losses, which would be greater than if the Funds were not leveraged.

Fees. The Funds, like most alternative investment vehicles, charge higher fees and could have higher operating expenses than the fees and expenses associated with traditional investments, such as mutual funds. Investors should understand that these fees and expenses could significantly impact their investment returns. The Adviser or its designated affiliate (and, potentially, other affiliates who participate in management) will receive fees and reimbursements as specified in the Fund's governing documents, and it is possible (and likely, at least in the early stages of the Funds) that the Adviser or its affiliate will receive management fees despite the Fund not generating actual cash revenue.

Potential Public Health Crisis; Covid-19. A public health crisis, pandemic, epidemic or outbreak of a contagious disease, such as the recent outbreak of Coronavirus (or Covid-19) in China, the United States and other countries, could have an adverse impact on global, national and local economies, which in turn could negatively impact fund clients. Disruptions to commercial activity relating to the imposition of quarantines or travel restrictions (or more generally, a failure of containment efforts) may adversely impact a fund client's investments, including by delaying or causing supply chain disruptions or by causing staffing shortages. In addition, the imposition of travel restrictions may impact the ability of the Advisors' personnel to travel in connection with potential or existing investments of a fund client or to the Advisors' offices, which could negatively impact the ability of the Advisors to effectively identify, monitor, operate and dispose of investments. Finally, the outbreak of Coronavirus has contributed to, and may continue to contribute to, volatility in financial markets, including changes in interest rates. A continued outbreak may reduce the availability of debt financing to a fund client and potential purchasers of a fund client's investments, which could have material and adverse impact on a fund client's returns. The impact of a public health crisis such as the Coronavirus (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict, which presents material uncertainty and risk with respect to a client's performance.

II. RISKS RELATING TO OIL AND GAS INVESTMENTS

A. GENERAL OIL AND GAS WORKING INTEREST RISK

The Funds may invest in oil and gas working interests. The working interests that may be acquired by the Funds are non-operating working interests. They require the Funds to proportionately bear the costs of oil and gas drilling operations and entitle them to receive a portion of net income from production. Actual oil and gas drilling operations will be conducted by the operator. Income from the working interest thus depends on the successful drilling of wells and the subsequent production of oil and gas by the applicable operator. As a general matter, the primary risk accompanying a Fund's investment in the working interest is the possibility that the Fund's cost of acquiring and funding the working interest will not be recouped from its share of well-production income.

B. GENERAL OIL AND GAS MINERAL INTEREST RISKS

The Funds may invest in oil and gas mineral interests. Income from a Fund's mineral interests, if any, depends upon the drilling of wells and the subsequent production of oil and gas on the Fund's mineral acres. Once oil and gas production generate royalties, the Fund will receive its share of royalty income. However, the Funds have not and cannot attempt to drill or operate their own wells. The mineral interests acquired by the Funds will be non-operating (and usually non-executory) interests. Instead, the Funds will rely on "operators" to lease acreage, drill wells, produce oil and/or gas, and distribute royalty payments to the Funds. The Funds risks therefore relate mainly to (1) whether an operator will choose to pursue oil and gas production on the Fund's mineral acres, and (2) whether oil and gas production on the mineral acres will produce sufficient royalties for the Fund to recoup its acquisition costs.

C. UNUSED MINERAL ACRES AND TITLE RISKS

The Fund's mineral interests will not generate revenue and are unlikely to increase in value if operators are unlikely to drill and operate wells on the Fund's mineral acres. The following

risk factors affect the willingness or ability of operators to engage in, and continue, drilling and production activities on Fund mineral acres.

Operator risks; executive interests; and related conflicts. Some of the Fund's mineral acres may already have leases in place with operators who (for the duration of their leases) have the discretion as to when and whether to drill and attempt production. Operators may choose not to drill for any number of reasons, which may include (a) decreases in the commodity value of oil and gas; (b) the need for the operator to maintain certain levels of oil and gas reserves, (c) factors affecting the profitability of production at a given time, (4) the ability to raise and deploy capital necessary for drilling and production operations, and (5) concentration on other markets. The operator on the Fund's mineral acres may also abandon operations without the consent of the Adviser or the Fund if it concludes that the well or property can no longer yield oil and/or gas in commercially paying quantities. There is therefore a risk that operators holding leases on the Fund's mineral acres will decide not to proceed with drilling and production or will cease drilling or production before the Fund receives an effective return. The Fund will not receive any royalty income from tracts on which the operator ceases or does not undertake operations.

On those tracts on which the Fund holds executive mineral interests (which are anticipated to be very few), the Fund will have the right to negotiate new leases with new operators if the current operator fails to drill and seek production within the timeframe dictated by their current leases. While the Adviser's goal, if the Fund holds executive mineral interests, is to grant leases only to operators who intend to drill, the Adviser cannot guarantee that any operator will ever attempt production or continue production on any given mineral acres.

Non-executive mineral interests. As noted above, the Fund is only entitled to enter into leases with operators if the Fund holds the executive mineral interests on the mineral acres. If the Fund does not hold executive mineral interests on a given tract, the Fund will have to rely upon the holder of such rights to negotiate and enter into leases with operators. In these situations, the Fund will not have control over (a) whether to enter into a lease, (b) which operator to lease to, or (c) the terms of any lease, including the royalty payments that will be paid to royalty owners. There is therefore a risk that, on mineral acres for which the Fund does not hold executive rights, the owner of the executive rights will (i) fail to lease the tract at all, (ii) fail to lease the tract to an operator who drills and produces oil and gas, or (iii) fail to lease the tract on terms as favorable as the terms that the Fund might otherwise seek.

Equipment risks. Drilling for oil and gas requires expensive equipment. There is a risk that the operator cannot attempt drilling operations as to any potential well due to a lack of sufficient funds to purchase the necessary equipment, the unavailability of that equipment, or its defective operation. Any of these circumstances could delay, prevent, or minimize the production of oil and gas and corresponding revenue to the Fund.

Title issues. The Fund's right to receive royalty payments from production of oil and gas necessarily depends upon the Fund holding legal title to the mineral interests. Due to the complexities of property law, particularly with respect to mineral interests, the Fund may ultimately find that it did not obtain proper legal title to some of its mineral interests. There is also a corresponding risk of diminished royalties or a complete lack of entitlement to royalties on any mineral acres as to which legal title to the applicable mineral interests is not properly acquired by the Fund. The Adviser will not conduct its own internal due diligence with respect to mineral interest title and will instead rely upon third-party professionals such

as title examiners, attorneys, and/or landmen. Still, mistakes by such professionals may result in significant loss to the Fund that cannot be recouped through suit or other action against such professionals.

D. OPERATIONS/DRILLING RISKS

General drilling risks. The value and return on the Fund's investment in the working interest will depend on the operator's successful production of oil and gas through drilling operations. The Funds rely almost entirely on the operator to produce oil and gas in paying quantities, such that the Fund's share of revenue from drilling operations exceeds its share of expenses. Fund revenues will therefore be directly affected by the inherent risks associated with oil and gas production.

Drilling for oil and gas is inherently speculative and involves a high degree of risk. The drilling of wells includes the possibility of completing wells that, although marginally productive, do not produce oil or gas in sufficient quantities to return a profit on the investment or even to recover the underlying investment capital (which is substantial). Drilling for oil and gas is not an exact science, and no proven techniques exist with which to predict with certainty whether the drilling of a particular well will result in the discovery of oil or gas in commercially paying quantities. There can be no assurance that the drilling of any well will result in oil and/or gas production, or that any production will be profitable or will enable the Fund to recoup its investment capital. Moreover, even if a well is drilled and completed, it may still fail to be commercially viable due to various geologic, economic, or mechanical reasons.

Whether a particular drilling project is successful will depend on many factors, including (i) the accuracy of the geological analysis, (ii) the ability to complete the well in such a way that oil or gas can economically be brought to the surface, (iii) the ability of the well to produce expected amounts without being impeded by undesirable deposits in the production stream, (iv) the availability of transportation and processing facilities, (v) regulatory restrictions that could prohibit drilling in the most desirable locations or in the most efficient manner, or prevent or inhibit the transportation of the production to a market, and (vi) general risks inherent to acquiring oil and gas leases and using heavy equipment to drill for hydrocarbons. The price of oil and gas, the costs and spending levels of exploration and production, government regulation, world events, and economic conditions will likewise affect performance and the commercial viability of drilling projects.

Title and leasing risks. The Adviser will rely on the operator to correctly identify the holders of the executive rights (the right to lease) on the acreage where the working interest is located — the leasehold acres. Determining the title to mineral interests can be fraught with complications. If a lease was entered into with the wrong party, the lease might have to be renegotiated at significant cost or expense with the correct party or lost altogether (in which event any drilling or production on the leased acreage would cease with possible significant loss of investment capital). There is also a risk that other operators will lease adjacent or nearby acreage and drill into and produce oil and gas from the same formation as the operator, reducing the aggregate revenue from the operator's wells in that formation.

Reliance on drilling operators. The Funds will not operate the wells in question. Instead, the applicable operator will be the operator of the various drilling projects. As a general matter, the operator will produce the oil and gas and bill the Fund for its share of costs

incurred. The specific obligations and relationships of the operator and the Fund will be governed by an operating agreement, and the Fund will be required to rely extensively on the operator for production of oil and gas. Ineffective operations by the operator could therefore reduce the Fund's returns. In addition, the operator may decide not to drill wells and/or not to continue the production of oil and gas for extended periods of time, meaning the Fund must be prepared to hold the working interest asset for a long period of time if necessary.

Shared costs of production. The Funds may acquire non-operating working interests in drilling projects undertaken by the operator on the leasehold acres and will be required to pay its proportionate share of the costs of exploration, drilling, and production. There is a risk, therefore, that in the event the drilling project is not successful, the Fund will ultimately be unable to recoup its investment in that drilling project.

Location of wells. Despite all efforts to adhere to legal requirements with respect to well spacing, wells on acreage bordering or near each other may affect their respective production levels if such other wells are close enough to draw from the same reservoir.

Hazards and delays. Hazards such as unusual or unexpected formations, pressures, down-hole fires, blow-outs and loss of circulation of drilling fluids are involved in drilling oil and gas wells and, if such hazards are encountered in the drilling of any wells, drilling operations or completion of the wells may be substantially delayed. Drilling operations are also particularly susceptible to delays or termination caused by inclement weather and resulting changes in the conditions of the terrain. For instance, excessive rain or snow may impede or cause a temporary cessation of drilling and completion activities and may prevent necessary service vehicles from reaching drill sites. This, in particular, may affect the ability of the operator to commence drilling wells by the end of any particular tax year. Even if the wells are completed and are found to be productive, water or other substances may be encountered in such wells that may impair or prevent the production or marketability of oil or gas from such wells.

Shut-in wells. Production from any wells drilled in areas remote from marketing facilities or in areas where a purchaser is not in the market for gas (or, to a lesser extent, oil) may be delayed for extended periods until sufficient reserves of oil and gas are established to justify construction of necessary flowing and production facilities, or until marketing conditions in the area warrant operation of the wells. The production from all such wells may cause an oversupply and a partial shut-in.

Equipment risks. Drilling for oil and gas requires expensive equipment. There is a risk that the operator cannot attempt drilling operations as to any potential well due to a lack of sufficient funds to purchase the necessary equipment, the unavailability of that equipment, or its defective operation. Any of these circumstances could delay, prevent, or minimize the production of oil and gas and corresponding revenue to the Fund.

Geological and technological risks. There is a risk that the geology in the area of the leasehold acres is such that oil and gas production in commercially paying quantities is not feasible or will not occur. Drilling may require the use of "fracking," a relatively new drilling process requiring new technologies. There is a risk that the fracking technology employed in drilling operations on or involving the leasehold acres will prove to be less effective than necessary to make production by that method commercially viable, or that the operational decisions will fail to optimize production. In addition, there is a risk that at some point in the

future fracking will no longer be feasible, cost effective, or allowed in certain areas. In the event production fails or cannot be optimized, revenue to the Fund could be severely minimized or cease altogether.

Competition for leases. The operator will likely encounter competition with other operating companies to obtain additional leases on desirable mineral acreage. In either case, there can be no assurance that the operator will be able to secure leases with the favorable terms necessary to satisfy business objectives.

Competition relating to oil and gas production generally. A large number of operators engage in exploration and production of oil and natural gas, and historically there has been intense competition within the industry. The intensity of this competition depends on the market fluctuations within the oil and natural gas industry, the price which can be obtained for the oil or natural gas produced from the wells, the number of drilling rigs available, and other factors which make it impossible to predict with any certainty the degree of competition in the future. Competitors may include major and independent oil companies, independent investors, and other funds similar to the Funds and operator.

Natural gas and crude oil prices are volatile and fluctuate in response to a number of factors; lower commodity prices will reduce operating income and royalties. Revenue from drilling operations is dependent on the prices realized from the sale of natural gas and crude oil. Production of oil and gas has spiked as new fields have been identified and new technologies have permitted more effective exploitation. The price of oil and gas has correspondingly seen a recent dramatic decline. A further material decrease in the prices of these commodities (including as a result of increased supply or reduced demand) could reduce the amount of revenues to the Funds. Crude oil and natural gas prices can fluctuate widely on a month-to-month basis in response to a variety of factors that are beyond the control of the Adviser. Factors that contribute to price fluctuation include, among others:

- Geo-political conditions in major oil and gas producing regions, e.g. the Middle East
- Worldwide economic conditions
- Weather conditions
- The supply and price of domestic and foreign crude oil or natural gas
- The level of consumer demand
- The price and availability of alternative fuels
- The actions of the Organization of Petroleum Exporting Countries
- The proximity to, and capacity of, transportation and refining facilities
- The effect of worldwide energy conservation measures and new energy technologies
- The nature and extent of governmental regulation and tax laws

When crude oil and natural gas prices decline, net income from drilling investments will be reduced. Some projects may become dis-economic, delayed, abandoned, or not pursued. It is impossible to predict future crude oil and natural gas price movements, and this reduces the predictability of return on investment.

Depleting assets. The production of oil and gas from a well is a depleting asset. Eventually any oil and gas deposit will be depleted, at least to a point where it is no longer economically productive, and its terminal value will eventually be \$0. The reduction in proven reserve quantities is a common measure of depletion. Drilling projects, performed in the discretion of the operator, can increase the quantity of proven reserves and extend the production life

of the asset. If the operator does not implement proper maintenance and development projects, the rate of production decline of proven reserves may be accelerated.

The Adviser makes investment decisions based on information, including estimates of oil and gas reserves, that can prove inaccurate. The Adviser will not have control over the major decisions, or the oil and gas production activities involved in the Fund's investments. The Adviser and the Funds will have to rely largely upon the experience, skill, capability, and dependability of the operator, its principals, and its geologists. The investment and/or operating decisions of the operator will necessarily be based on various assumptions and subjective judgments. Although available geological and geophysical information can provide information about the potential of a particular oil and gas property's future production, it is not feasible to accurately predict production volume or profitability.

The accuracy of reserve, production and potential revenue estimates is a function of the quality of available data, engineering interpretation and judgment, and the assumptions used regarding the quantities of recoverable crude oil and natural gas and future oil and gas prices. Petroleum engineers consider many factors and make many assumptions in estimating reserves. Those factors and assumptions include:

- Any historical production from the area, compared with production rates from similar producing areas
- Estimates regarding production
- The availability of recovery techniques
- The effects of governmental regulation
- Assumptions about future commodity prices and taxes

Changes in any of these factors and assumptions can materially affect reserve and future net revenue estimates. Ultimately, actual production, revenues and expenditures, and therefore actual net proceeds payable to the Fund, will vary from any estimates, and those variations could be material.

E. MARKET RISKS

The Funds may be adversely affected by general economic conditions. The success of any investment activity is influenced by general economic conditions. A general economic downturn or a decline in any investment or commodities market may limit the ability of the Funds to sell or liquidate their assets, or the Funds and operators to sell oil and gas at a profit.

The Fund's investments may not be diversified outside of the oil and gas field. The Funds' investments may be concentrated in one sector of the economy. Accordingly, the Funds' investment and returns may be exposed to risks that are unique to the oil and gas sector and that may not be offset by diversification.

F. REGULATORY RISKS

Oil and gas operations have been, and in the future will be, affected by federal, state, and local laws and regulations and other political developments, such as price or gathering rate controls and environmental protection regulations. Various federal and state regulations affect oil and gas prices which may be received for oil or gas produced, if any. It cannot be predicted how regulations will affect the price paid for gas. No assurance can be given that there will not be an adverse effect on oil and gas prices that would reduce the Funds' return on investment.

Further, various local, state, and federal environmental control agencies may impose regulations that could have a significant impact on the operations of drilling projects or could substantially increase the cost of operating the wells, resulting in a potential reduction in the Funds' returns. Moreover, regulatory agencies (and private claimants) could seek to hold the Funds and operators liable under environmental laws and regulations for hazardous waste contamination at the lease sites. In that event, exemptions from liability created under the Comprehensive Environmental Response, Compensation and Liability Act, as amended, and the Resources Conservation and Recovery Act may prove unavailing.

III. SECURITIES OFFERING RISKS

Private placement status; the Funds may fail to comply with private offering exemption requirements. The Funds' interests are not registered under the Securities Act, or any state securities laws, and are being sold in reliance on registration exemptions for transactions not involving a public offering. As a purchaser of the interests in a private placement of securities not registered under the Securities Act, each investor will be required to make certain representations to the Adviser, including that it is acquiring its interests solely for investment, and not with a view to resale or distribute of the investment, and that it is an accredited investor, as defined in Regulation D under the Securities Act. Further, each investor must be prepared to bear the economic risk of holding the investment for an indefinite period, since there is no trading market for the interests, and they cannot be re-sold unless they are subsequently registered under the Securities Act or an exemption from such registration is available.

If the Funds should fail to comply with the requirements of a private offering exemption, investors may have the right to rescind their purchase of the interests. It is possible that one or more investors seeking rescission would succeed. If a number of investors were successful in seeking rescission, the Funds would face severe financial demands that could adversely affect the Funds as a whole and, thereby, the value of the investment held by the remaining investors.

No registration under Investment Company Act, Investment Advisors Act, the Exchange Act, or FINRA. The Funds are not registered as investment companies under the Investment Company Act (or any similar state laws). Registered investment companies are subject to extensive regulation, including limitations on leverage; the Adviser believes that such regulations will not apply to the Funds. Nor are the general partners of the Funds registered as investment advisers under the Investment Advisors Act of 1940, as amended (or any similar state laws). Investors, therefore, will not be afforded the protective measures provided by such legislation.

The general partners are not currently registered as broker-dealers under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), or with the Financial Industry Regulatory Authority ("FINRA"), and consequently are not presently subject to the record keeping and specific business practice provisions of the Exchange Act, and FINRA rules.

Risks relating to the Patriot Act; money laundering; terrorism prevention. The Patriot Act, signed into law in 2001, requires that financial institutions, a term that includes banks, broker-dealers, and investment companies, establish and maintain compliance programs to guard against money laundering activities. The Patriot Act requires that the Secretary of the U.S. Treasury (the "Treasury") promulgate regulations in connection with anti-money laundering

policies of financial institutions. Regulations imposed by the Federal Reserve Board, the Treasury, and the SEC may require the Adviser or other service providers to the Adviser, to institute procedures, including record keeping, to comply with anti-money laundering restrictions, and to share information with governmental authorities with respect to investors in the Fund. The Adviser reserves the right to request such information as is necessary to verify the identity of investors in the Fund and the source of the payment of subscription monies, or as is necessary to comply with any customer identification programs required by Financial Crimes Enforcement Network of the Department of Treasury and/or the SEC, or as may otherwise be required under any anti-money laundering legislation and regulation of the United States. These procedures could impose additional expense, and the failure to comply could result in financial penalties or restrictions that could in turn impact the transferability of interests.

Risks relating to the Employee Retirement Income Security Act of 1974. The Adviser intends to operate the Funds such that their assets will not be considered “plan assets” of any plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or Section 4975 of the Internal Revenue Code of 1986, as amended. However, it is possible the Funds may acquire “plan assets” at some point. If that were to occur, and those assets were to exceed certain statutory thresholds, the Funds may be restricted from entering into certain transactions if the investment would violate ERISA limitations, or it may be obligated to take certain actions or refrain from taking certain actions in order to avoid a violation of ERISA based on the inclusion of plan assets in the Funds.

IV. FUND MANAGEMENT RISKS

Reliance on the Adviser’s managers. Investors will have no right or power to participate in the management of the Funds and will be relying on the management abilities of the Adviser and its manager(s), officers, and agents (or those of its affiliates). The investors have limited voting rights concerning matters affecting the Funds. The investors will not have the opportunity to evaluate the manner in which Fund funds are invested or the economic merits of a particular investment. The Funds’ governing documents do not require the Adviser or its manager(s) and affiliates to dedicate a minimum amount of time to the management of the Funds or their investments. Accordingly, no investor should purchase interests in a Fund unless it is willing to entrust the management of the Fund to the Adviser, its affiliates, and their manager(s) and agents.

Reliance on key employees. Key responsibilities within the Adviser’s business have been assigned to a small number of employees (or delegated to the officers and employees of the Adviser’s affiliates). The loss of their services, particularly the loss of any of the officers or key employees, could disrupt the operations of the Adviser, and by extension, the Funds. In addition, at present the Adviser does not maintain “key person” life insurance policies on any person. As a result, the Funds are not insured against losses resulting from the death or disability of any of the key employees of the Adviser.

Potential conflicts of interest. The Adviser or its affiliate has the authority under the Funds’ governing documents to engage third parties on a fee services basis, who may be affiliates of the Adviser or its affiliate. As such, there may be occasions where the Adviser or its affiliate has to balance and resolve conflicting interests between their responsibility to the Funds and the business interests of their affiliates.

The Adviser's manager(s), officers, and agents are active in other business endeavors. While they will provide the Adviser with such time, care, and attention as they reasonably believe is necessary for the successful operation of the Adviser and the performance of their duties under the governing documents, they will be under no obligation to spend all or any particular amount of time on the Funds' business, especially considering that the business of the Funds will largely be passive. The Adviser, its manager(s), officers, agents, and their affiliates will be free to engage in other investments and business endeavors without presenting these opportunities to the Fund.

Common ownership and control. Affiliates of the Adviser or its affiliate may acquire interests in the Funds. The Adviser or its affiliate can direct the actions of the Funds with respect to their investments, and certain decisions of the Funds may result in conflicting interests of the Adviser and its affiliates on the one hand, and the other investors on the other hand. The governing documents specify that any such conflict is not a breach of the Adviser's or its affiliates' duties to the Funds, provided the Adviser or its affiliate discloses any conflicts and uses its business judgment to resolve the conflicts fairly and reasonably.

Potential other Funds and investment opportunities. The Adviser and its affiliates may be presented with other investment opportunities in the same geographical area as the oil and gas interests of its Funds. The Adviser and its affiliates are free to pursue such opportunities and are not required to present any such opportunities to the Funds or their investors.

Failure of Counterparties to Perform Obligations. In its ordinary course of business, the Adviser relies on various counterparties, which include, but is not limited to, brokers, dealers, banks, custodians, and administrators ("Counterparties"). These Counterparties, with which the Adviser does business and on behalf of a Fund, may, from time to time, default on their obligations with or without notice. Such defaults include, but are not limited to, a Counterparty's bankruptcy, insolvency, or other failure. A Counterparty's default on their obligations may impact the Adviser's or a Fund's ability to conduct its business in the ordinary course. There is a risk of loss of assets on deposit at the Counterparty. Although government agencies or other organizations provide insurance coverage to depositors in the event of a Counterparty failure, coverage is limited to a specified amount and subject to rules and regulations. Prior events where a government agency or other organization stepped in to make depositors whole over their excess deposits at select Counterparties, which may or may not have a current or prior relationship with the Adviser or a Fund, should not be construed as a guarantee that such action will be taken in the future. There is no guarantee that any excess deposits are recoverable. In the event of a Counterparty's default, the Adviser will work diligently to access its capital and take actions it deems appropriate while acting in the best interest of such Fund. However, the Adviser's access to capital is subject to a variety of external factors that are outside of the Adviser's control, including the timing of default, a government agency's or other organization's actions, including the timing of the Counterparty's closure, ability to liquidate the Counterparty's assets, or to effect the Counterparty's sale or dissolution, unforeseeable economic factors or market conditions, and the Counterparty's technology infrastructure operating as intended to facilitate access. Furthermore, the Adviser's ability to access capital may have an impact on the Adviser's and a Fund's ability to conduct operations in the normal course including, but not limited to paying expenses, funding investment opportunities resulting in delayed or missed opportunities, and calling capital from or making distributions to limited partners. Deposits concentrated at one or a limited number of Counterparties may amplify these risks.

V. TAX RISKS

Risks associated with the tax aspects of an investment in the Funds are complex and not the same for all prospective investors. There are risks associated with the tax aspects of an investment in a Fund that are complex and will not be the same for all prospective investors. The Fund may take positions with respect to certain tax issues that depend on legal conclusions not yet resolved by the courts. Each prospective investor is advised to consult his/her/its own tax advisers before investing in a Fund.

No ruling from the Internal Revenue Service as to the tax consequences of investing in Funds. The Funds have not requested, and will not request, a ruling from the Internal Revenue Service regarding the tax consequences of investing in the Funds' interests.

Changes in federal income tax laws could affect the tax consequence of an investment in the Funds. Significant and fundamental changes in the federal income tax laws have been made in recent years and additional changes are likely. Any such changes may affect the Funds and the investors. Moreover, judicial decisions, regulations, or administrative pronouncements could unfavorably affect the tax consequences of an investment in the Funds.

The Adviser will offer advice to the Funds generally regarding investments in equity and equity-related securities (including limited partnership interests, limited liability company membership interests, preferred stock, debt, and other securities relating to equity investments or that are expected to produce equity-like returns) in privately negotiated transactions. Risks associated with investments in these types of securities are discussed in detail in item 8.B above.

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 a client's evaluation of the adviser or the integrity of adviser's management.

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory services or the integrity of its management.

Item 10 - Other Financial Industry Activities and Affiliations

- A. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or registered representative of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. In connection with sponsoring any Fund, the Adviser will also form an affiliated general partner. Other than these affiliated general partners, the Adviser has no relationships or arrangements with any related person listed in the instructions to Item 10.C. that are material to its advisory business or to its Funds.

Conflicts of interest may result from the fact that the Adviser provides investment management services to more than one Fund, which conflicts of interest, and the procedures in place for resolving the same, are detailed in Item 8.B. above.

Additional conflicts of interest may arise because the Principals and other Adviser personnel may serve as directors of the companies in which the Funds invest. In addition to any fiduciary duties the Principals and other Adviser personnel may owe to the Funds, as directors of portfolio companies, these individuals may owe fiduciary duties to other investors in the portfolio companies and to persons other than the Funds.

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment, and other activities of the Adviser, its affiliates, and their personnel. The Adviser will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances. The Adviser's affiliates and personnel may invest, on behalf of themselves, in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of a Fund. The Adviser's affiliates and personnel may give advice or take action for their own accounts that may differ from, conflict with, or be adverse to, advice given, or action taken on behalf of the Funds. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for, one or more Funds. Potential conflicts also may arise due to the fact that the Adviser's affiliates and personnel may have investments in some Funds but not in others or may have different levels of investments in the various Funds and their portfolio companies, and that each of the Funds may pay different levels of fees.

In addition, the Adviser may give advice or take action with respect to the investments of one or more Fund that may not be given or taken with respect to other Funds with similar investment programs, objectives, and strategies. Accordingly, the Funds with similar strategies may not hold the same securities or instruments or achieve the same performance. The Adviser also may advise clients with conflicting investment objectives or strategies. These activities also may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Funds.

Investors in each Fund are advised to review the relevant Fund's offering materials for more extensive descriptions of the risks of investing in the Fund and the required procedures for resolving conflicts of interest.

D. The Adviser does not recommend or select other investment advisers for its Funds.

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

- A. The Adviser has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser’s employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. The Adviser prohibits personal trading on certain securities or instruments; requires pre-clearance of personal trades in certain circumstances, including purchases of an initial public offering or a new private placement; requires periodic reporting of employees’ personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

As part of its Code, the Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the Adviser has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non-public information, and, therefore, may not trade on the basis of that information.

In addition to procedures to prevent the abuse of material, non-public information, the Code contains policies and procedures covering standards of conduct, political contributions, potential conflicts of interest (including but not limited to gifts, entertainment, and outside business activities of Adviser personnel), and Fund and investor confidentiality. All employees of the Adviser must acknowledge the terms of the Code annually or as the Code is amended on an ongoing basis.

The Adviser will provide a copy of the Code to any investor or prospective investor upon request.

- B. The Adviser generally does not recommend to the Funds investments in which the Adviser has a material financial interest. However, on occasion affiliates of the Adviser who have already acquired securities (typically oil and gas mineral interests) may serve as the general partner of a Fund and will transfer those securities to the Fund in exchange for cash and/or a capital contribution credit in the Fund. The transfer of the securities to the Fund may result in such general partner receiving cash or value (in the form of a capital contribution credit) in excess of its basis on the securities. If this is the case, the terms of the general partner’s conveyance of the securities into the Fund (as well as any profit realized by the general partner under those circumstances) is fully disclosed to the Fund and its investors in a private placement memorandum.
- C. The Adviser and its related persons generally do not engage in co-investment with the Funds. Related persons typically invest through a Fund vehicle itself. However, in the event a co-investment situation arises, the Adviser will develop guidelines and limitations for such co-investment (and enter into agreements with any co-investors),

which may include (a) restrictions on the maximum percentage of the overall investment that may be held by co-investors, and (b) requirements that co-investors receive terms no more favorable than a Fund's investors and are required to dispose of the investment at the same time and on substantially the same terms as the Fund.

D. Please see Item 11.C. above.

Item 12 - Brokerage Practices

- A. The Adviser's investment strategy involves private debt and equity investments in the energy, real estate, infrastructure, manufacturing, specialty finance, and technology sectors. As a result, the Adviser does not select or recommend broker-dealers for the purchase and sales of securities. Furthermore, the Adviser does not maintain any trading accounts and does not use "soft" dollars received from broker-dealers from the purchase and sales of securities on behalf of its Funds.
- B. The Adviser does not aggregate the purchase or sale of securities for various client accounts.

Item 13 - Review of Accounts

- A. The Adviser maintains comprehensive review procedures for the ongoing monitoring of the investments of its Funds. In connection therewith, the Adviser conducts periodic reviews of all company investments held in each Fund. All Adviser investment and operational staff participates in the ongoing monitoring of Fund assets, although responsibilities vary by individual.
- B. See Item 13.A. above.
- C. The Adviser provides Funds and their investors, if applicable, with written audited annual financial statements, written periodic reports, and other written communications.

Item 14 - Client Referrals and Other Compensation

- A. The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to its Funds.
- B. The Adviser may, from time to time, enter into agreements with third-party placement agents. Such agreements provide for compensation to be paid to the placement agent for referring investors to the Adviser's Funds. Under this agreement, the placement agent will typically receive a percentage of the capital commitments attributable to each investor referred depending upon the specific circumstances. In such cases, details of the arrangement will be provided to the investor. Such arrangements will be in accordance with all applicable laws and regulations, including Rule 206(4)-3 of the Advisers Act. Compensation of placement agents will be as determined in a written agreement between the Adviser or its affiliate and the placement agent. Subject to the provisions of the applicable Fund partnership agreement, placement agent compensation will be borne by the Adviser, typically as an offset against future management fees.

Item 15 - Custody

While it is the Adviser's practice not to accept or maintain physical possession of any Fund assets, the Adviser is deemed to have custody of the Funds' assets under Rule 206(4)-2 of the Advisers Act, because the Adviser has the authority to deduct fees from the Funds' accounts and its affiliates act as the general partners of the Funds.

In order to comply with Rule 206(4)-2 of the Advisers Act, the Adviser utilizes the services of a bank or qualified custodian (as defined under Rule 206(4)-2 of the Advisers Act) to hold all of its Funds' assets. In accordance with Rule 206(4)-2, the Adviser also (a) engages an outside auditor to audit its Funds at the end of each fiscal year and (b) distributes the results of the audit in audited financial statements that are prepared in accordance with United States Generally Accepted Accounting Principles to all investors in its Funds within 120 days after the end of the relevant fiscal year.

Item 16 - Investment Discretion

The Adviser has full discretionary authority with respect to investment decisions, and its advice with respect to its Funds is provided in accordance with the investment objectives and guidelines as set forth in their respective offering memoranda, if any, and governing documents. The offering documents of the Funds may place various limitations on the general partners of the Funds regarding their management of the Funds. Fund investors may also negotiate with the general partners in side letter agreements for more specific limitations applicable to such Fund investors. The Adviser is generally delegated the authority to consummate investments on behalf of the Funds by the terms of the limited partnership agreements of the Funds and the investment management agreements entered into between the Funds and the relevant general partners of the Funds.

Similarly, the Adviser's investment decisions and advice with respect to a managed account (if any) will be in accordance with the investment objectives and guidelines in such managed account's investment management agreement, as well as any other instructions provided by the Funds to the Adviser.

Item 17 - Voting Client Securities

The Adviser votes its Funds' securities on an extremely limited basis. The general partners or managers of the Funds have the authority to vote proxies regarding the Funds' accounts. The general partners of the Funds may have conflicts of interest where they have a substantial business relationship with a Fund portfolio company and the failure to vote in favor of portfolio company management could harm the relationship of the general partners of the Fund with portfolio company management. Conflicts may also arise in the event a senior executive of a Fund portfolio company and a Principal or other Adviser representative have a significant personal relationship that could affect how the Adviser would vote on a matter relating to the Fund portfolio company.

In the event that a material conflict of interest is identified in connection with the Adviser's or its affiliate's voting of Fund securities, the Adviser's chief compliance officer or designee will take such steps as he or she deems necessary in order to determine how to vote the proxy in the best interests of the Fund, including, but not limited to, consulting with the legal department, outside counsel, a proxy consultant, or the investment professionals responsible for the relevant portfolio company. In each instance, when exercising their voting discretion, the general partners of the Funds seek to avoid any direct or indirect conflicts of interest between the respective Funds and their voting decision.

The Adviser may vote proxies on behalf of the Funds' holdings, but the Adviser does not vote proxies on a normal basis. Contact the Adviser's office at 512-407-2600 for any questions about a particular solicitation.

Item 18 - Financial Information

- A. The Adviser does not require or solicit prepayment of any fees six months or more in advance.
- B. To the knowledge of the Adviser, there is no financial condition that is reasonably likely to impair the Adviser's ability to meet its contractual commitments to its Funds.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 - Requirements for State-Registered Advisers

The Adviser is an SEC-registered investment adviser. Thus, Item 19 is not applicable.