

## **FORM ADV PART 2A: FIRM BROCHURE**

### **B-29 Advisors, LLC**

14131 Midway Road, Suite 550  
Addison, Texas 75001

#### **Firm Contact**

Jonathan Wilfong  
Chief Compliance Officer

**March 25, 2024**

This Brochure provides information about the qualifications and business practices of B-29 Advisors, LLC. B-29 Advisors, LLC is registered as an Investment Adviser with the United States Securities and Exchange Commission ("SEC"). Registration with the SEC does not imply a certain level of skill or training. If you have any questions about the contents of this Brochure, please contact us at (940) 612-5341. The information in this Brochure has not been approved or verified by the SEC or any state securities agency. Additional information about B-29 Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

The last update to B-29 Advisors' Form ADV Part 2 (the "Brochure") was on March 29, 2023. This brochure has been updated to reflect the change in the Chief Compliance Officer and contact for more information.

## Table of Contents

Advisory Business .....	4
Fees and Compensation .....	4
Performance-Based Fees and Side-By-Side Management .....	5
Types of Clients .....	5
Methods of Analysis, Investment Strategies, and Risk of Loss.....	6
Disciplinary Information.....	19
Other Financial Industry Activities and Affiliations .....	19
Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading .....	20
Brokerage Practices .....	20
Review of Accounts.....	21
Client Referrals and Other Compensation .....	22
Custody .....	22
Investment Discretion .....	22
Voting Client Securities.....	22
Financial Information.....	22

## Advisory Business

B-29 Advisors, LLC (“**B-29 Advisors**”) is a limited liability company formed in Delaware in 2017. B-29 Advisors serves as a private equity investment adviser that provides investment management and advisory services to pooled private equity funds (“**Private Funds**”). Because the Private Funds are pooled investment vehicles, in general, underlying investors (the “**Underlying Investors**”) participate in each Private Fund’s investments on the same terms and conditions as set forth in the respective Private Fund’s governing documents.

The Private Funds advised by B-29 Advisors invest funds in small to middle market companies focused on the energy sector. B-29 Advisors provides investment advisory services to B-29 Investments, LP, B-29 Holdings, LP, and Sunray Capital, LP. All of the Private Funds to which B-29 Advisors provides advice are privately offered. B-29 Advisors’ advisory services include, primarily, investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Private Funds, managing and monitoring the performance of such investments and disposing of such investments. An affiliate of B-29 Advisors serves as general partner of each of the Private Funds, and each of these general partners is registered as a relying adviser of B-29 Advisors. Sunray Capital, LP is not actively seeking investment opportunities in new investment platforms for its portfolio, but may participate in follow-on investments.

B-29 Advisors’ investment services are carefully tailored to the objectives of each Private Fund, but not to the objectives of Underlying Investors participating in those Private Funds. From time to time, investors that participate in the Private Funds, and others, may be offered an opportunity to make an investment along with, but separate from, the investments made by the Private Funds. Each investor is individually responsible for determining whether it wants to participate in such a co-investment opportunity, and B-29 Advisors does not provide advice as to the advisability of such co-investment opportunities. B-29 Advisors is wholly-owned by Schmitz & Schmitz Properties, Inc. (“**Schmitz & Schmitz**”). Schmitz & Schmitz is wholly-owned by John Schmitz, the President of B-29 Advisors.

As of December 31, 2023, B-29 Advisors managed approximately \$348 Million on a discretionary basis.

## Fees and Compensation

B-29 Advisors has entered into advisory services contracts with each Private Fund to which it provides investment advisory services. Each advisory services contract provides for payment of an annual fixed fee (the “**Fee**”) that represents each Private Fund’s anticipated pro-rata share of expenses incurred by B-29 Advisors in providing the advisory services.

The Fees are evaluated and adjusted quarterly to ensure that the Fees cover the expenses incurred by B-29 Advisors. The Fees are payable quarterly in advance. To the extent Fees are paid in advance and a client cancels its advisory agreement with B-29 Advisors before the end of such period, B-29 Advisors pro-rates any fees received through the end of such period and returns any paid but unearned fees to the client.

In addition to the Fees, B-29 Advisors may charge its clients hourly or fixed charges, depending on the services provided (outside the scope of the advisory services contract) on an individually-negotiated basis.

B-29 Advisors or its affiliates may receive compensation from portfolio companies in the Funds, depending on the services provided on an individually-negotiated basis. These services include but are not limited to portfolio company operating management, equipment rental and sales, water management and infrastructure services, oilfield-related retail product and pipe sales, property tax and ad valorem tax consulting services, business incentive consulting services, aviation services, accounting support services, IT support, legal services, sub-leasing arrangements, and purchase or resale of natural gas, natural gas liquids, and crude oil. In most cases, B-29 seeks to negotiate such services on an arm's length basis in accordance with market prices. However, the terms of any transaction involving the provision of goods or services to the Funds or any of its portfolio companies will be determined by B-29 in its sole discretion and may differ significantly from the terms that may be obtained in an arm's length transaction between unaffiliated parties.

### Performance-Based Fees and Side-By-Side Management

The general partners of the Private Funds and, in certain cases, other entities specifically formed for the purpose of acting as a carried-interest vehicle, may receive carried-interest distributions depending on the returns generated by the Private Funds' investments. Carried-interest distributions typically are 20% of the gains realized on the disposition of investments after returning invested capital, management fees, and other expenses and priority returns to the investors. Notwithstanding the foregoing, Sunray Capital, LP does not impose a performance-based fee to its limited partners.

As the sole owner of B-29 Advisors, Schmitz & Schmitz may have an incentive to take increased investment risk with respect to accounts which are charged performance-based fees. B-29 Advisors 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. In addition, Schmitz & Schmitz has an indirect financial stake in each of the Private Funds that B-29 Advisors advises, which we believe better aligns the interest of Schmitz & Schmitz and our clients and reduces the risks related to charging performance fees.

### Types of Clients

B-29 Advisors provides advisory services to Private Funds that make private equity investments. As noted, these Private Funds are B-29 Advisors' clients. Underlying Investors in such funds will generally be institutional investors, including, high-net-worth individuals, trusts, estates, corporations, limited partnerships, limited liability companies, or other entities. Underlying Investors generally will not be obligated to make a formal minimum commitment in a Private Fund.

## Methods of Analysis, Investment Strategies, and Risk of Loss

The Private Funds invest in small to middle market companies in the energy market, typically investing one million dollars to twenty-five million dollars in companies with enterprise values that are typically between one million dollars and one hundred million dollars.

With respect to energy investments, B-29 Advisors' investment strategy includes identifying and investing in companies in the energy sector that B-29 Advisors believes have innovative and technologically-focused management teams that are able to persevere in all commodity cycles.

Investment decisions are reviewed at multiple levels within B-29 Advisors. Each potential investment is reviewed by one or more investment professionals who make an initial determination regarding the suitability of each potential investment. Investment opportunities that pass this initial review are then assessed by B-29 Advisors' investment committee.

Following an investment in a portfolio company, the investment team responsible for such investment continues to have a primary responsibility for monitoring the portfolio company's performance. Material events, along with acquisition, divestiture and disposition opportunities, are discussed at B-29 Advisors' monthly investment committee meetings.

All investments in the Private Funds involve a high degree of risk of loss that investors should be prepared to bear, including risk of complete loss. B-29 Advisors does not provide individualized advice to the Underlying Investors in the Private Funds that it advises regarding the suitability of an Underlying Investor's investment in any private fund, in the context of its total portfolio. Underlying Investors are responsible for determining what an appropriate allocation of their total investment portfolio should be for an investment in the Private Funds (if any) and B-29 Advisors bears no responsibility for such determination by an Underlying Investor.

A brief summary of some of the risks associated with an investment in one of the Private Funds is set forth below. This summary is not, nor is intended to be, a comprehensive listing of all of the risks, potential conflicts of interest and the tax, legal and regulatory considerations that an investor should consider before making any decision to invest in a private fund. Underlying Investors are advised that they should consult with their own legal, financial, tax and other professionals before deciding to make any investment decision.

Despite B-29 Advisors' efforts to identify promising investment opportunities for the Private Funds, an investment in a private fund entails a high degree of risk. These risks include, but are not limited to, the following:

1. *No Assurance of Return.* There can be no assurance that the Private Fund's investment objectives will be achieved or that there will be any return of capital.
2. *Lack of Diversification.* The Private Funds will make relatively few investments, so poor performance by any one investment could have a materially adverse effect on the Private Fund.
3. *Illiquidity and Long Holding Periods.* Interests in private funds are highly illiquid, and Underlying Investors generally may not withdraw capital from the Private Funds.

4. *Dependence on Key Individuals; No Right to Control the Private Funds' Operations.* Under each Private Fund's governing documents, investors will have no rights with respect to the control of the Private Fund's day-to-day operations or of the Private Fund's business, including investment and disposition decisions. To protect their limited liability from the liabilities and obligations of any Private Fund, investors must rely entirely on the Adviser or its affiliates to conduct and manage the Fund's affairs. The success of any Private Fund is expected to be dependent significantly upon the expertise of certain key persons. There can be no assurance that the Adviser's current personnel will continue to manage any Private Fund throughout its term. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of any Private Fund and the value of an investment in the Private Fund.
5. *Leverage.* The Private Funds may use leverage in connection with making investments, and their portfolio companies may incur a significant amount of leverage. The leverage increases exposure to adverse economic factors and could result in permanent loss of capital.
6. *No Hedging.* The Private Funds do not enter into hedging arrangements to establish, in advance, a price for the sale of the oil and natural gas produced from the Private Funds' properties, and the Private Funds do not intend to enter into such arrangements in the future. As a result, the Private Funds may realize the benefit of any short-term increase in the price of oil and natural gas, but the Private Funds will not be protected against decreases in price, and if the price of oil and natural gas decreases significantly, the Private Funds' business, results of operation and cash available for distribution may be materially adversely affected.
7. *Tax Risks.* Tax consequences to investors in private funds are complex, and the structure of the Private Fund's investments could result in different tax consequences for different Underlying Investors.
8. *Minority Investments.* The Private Funds may make minority investments in portfolio companies and may be unable to control the business and affairs of such companies. In these cases, B-29 Advisors will be significantly relying on existing management and the board of directors of the portfolio companies, which may include representation of other investors whose interests conflict with the Private Fund's interests.
9. *Broken Deal Expenses.* The Private Funds may be impacted by failure to execute deals and, as a result can be subjected to broken deal expenses, which refers to all out-of-pocket costs and expenses incurred by or on behalf of the Private Fund inclusive of research costs, travel costs and professional fees, and other expenses incurred in deal sourcing activities related to specific "dead deals" that never materialize. In the event that a transaction ultimately is not consummated, all broken deal expenses relating to such proposed transaction will be borne entirely by the Private Funds.
10. *Highly Competitive Market for Investments.* The business of identifying and structuring transactions for the Private Funds is highly competitive. The Private Funds will be competing for investments with other private equity investment vehicles and other types of investors.
11. *Legal and Regulatory Risks.* Legal, tax, and regulatory changes could occur during the term of the Private Funds that may adversely affect the Private Funds. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds may adversely affect the value of the investments held by the Private Funds and the ability of the Private Funds for which B-29 Advisors provides

advisory services to pursue their investment strategies and ultimately achieve the aims of the Private Funds.

12. *Risks related to the Energy Industry.* The companies in the energy industry in which the Private Funds typically invest are subject to unique risks arising from operations such as: (i) the uncertainty of estimating hydrocarbon reserves and their value; (ii) the risks of conducting drilling operations; (iii) the risk associated with the marketing of hydrocarbon production; (iv) risks associated with environmental regulations governing the production of natural resources; and (v) risks of catastrophic and other force majeure events. Further, companies operating in the energy sector may be affected by fluctuations in the prices of energy commodities. Fluctuations in energy commodity prices can result from changes in economic conditions, market conditions, weather patterns, domestic levels, volume of important, governmental regulations, policies of the Organization of Petroleum Exporting Countries ("OPEC"), taxation, tariffs, and the costs of transportation.
13. *Fluctuation in Energy Prices.* The revenues and profitability of certain of the portfolio companies in which a Private Fund invests are likely to be significantly affected by the future prices of and the demand for oil and natural gas, which are inherently uncertain. Energy investments may have significant shortfalls in projected cash flow if prices decline from levels projected at the time the investment is made. Various factors beyond the control of a Private Fund will affect energy prices, including worldwide supplies, political instability or armed conflicts in oil and natural gas producing regions, the price of foreign imports, the level of consumer demand, the price and availability of alternative fuels, capacity constraints and changes in existing government regulation, taxation and price controls. Energy prices have fluctuated greatly during the past, and energy markets continue to be volatile.
14. *Energy and Natural Resources Industries Risks.* As detailed further herein, investments in companies in the upstream, midstream, oil and gas and power sectors are subject to a variety of risks, not all of which can be foreseen or quantified. For example, the success of many of the portfolio companies in which a Private Fund invests likely will be affected by numerous factors, including the following: (i) amount, nature, and timing of property acquisitions or capital expenditures; (ii) the market for oil and gas acreage or properties or working interests therein; (iii) drilling of wells and other planned development activities; (iv) timing and amount of future production of oil or gas; (v) quantities of discovered or probable, potential or proved reserves of oil or gas; (vi) marketing of and market prices for oil, gas or oil or gas properties or working interests therein generally or in any particular location; (vii) operating costs including lease operating expenses, administrative costs and other expenses; (viii) a Private Fund's future operating or financial results; (ix) cash flow and anticipated liquidity; (x) the timing, success and cost of exploration and development activities; (xi) the risk that the technology employed in an energy project will not be effective or efficient; (xii) governmental and environmental regulation of the oil and gas industry, including the risk that regulations affecting the energy industry will change in a manner detrimental to the industry; (xiii) environmental liabilities relating to energy properties and projects; (xiv) industry competition, conditions, performance and consolidation; (xv) the availability of drilling rigs and other oilfield equipment and services; and (xvi) natural events. Because of a Private Fund's upstream, midstream, oil and gas and power sector focus, investment-related decisions and determinations, such as portfolio construction and diversification, may generally differ as compared to a more broadly focused private equity fund. When making such decisions and determinations, a General Partner may emphasize factors in a different manner and consider different factors, in each



case as compared to such decisions and determinations relating to a more broadly focused private equity fund.

15. *Hydraulic Fracturing Regulations.* It is expected that certain of portfolio companies in which each Private Fund invests will use hydraulic fracturing as a means of producing commercial quantities of oil and natural gas from reservoirs in which they operate. There have been a number of initiatives and proposed initiatives at the U.S. federal, state and local level to ban or regulate hydraulic fracturing and to study the environmental impacts of hydraulic fracturing and further regulation of the practice. Such initiatives at the U.S. federal, state or local levels to expand or implement regulation of hydraulic fracturing, together with the possible adoption of new laws or regulations that significantly restrict hydraulic fracturing, could result in delays, eliminate certain drilling and injection activities, make it more difficult or costly to perform hydraulic fracturing or sell the oil and natural gas produced from wells that have used hydraulic fracturing in the completion process, increase the costs of compliance and doing business, and delay or prevent the development of unconventional hydrocarbon resources from shale and other formations that are not commercial without the use of hydraulic fracturing. These effects on a portfolio company's operations could have a material adverse effect on the financial performance of a Private Fund's investments and, therefore, of such Private Fund.
16. *Midstream Energy Investment Risks.* Investments in portfolio companies owning, controlling or investing in midstream energy assets, including oil and gas pipelines and terminals, are subject to a variety of risks not necessarily associated with other types of energy investments. Such risks may include: (i) the risk that the market for the refined products gathered by, transported on and stored in the midstream assets held by portfolio companies in which a Private Fund invests may decline due to a reduction in downstream customer base or end-user demand; (ii) the risk that the land on which midstream assets held by portfolio companies in which a Private Fund invests are located will not be owned by such portfolio company or its affiliates, and therefore will be subject to risks associated with obtaining and maintaining necessary land use rights, contracts and permits from unrelated third parties; (iii) the risk that the Federal Energy Regulatory Commission (the "FERC") may regulate tariff rates for interstate movements of oil and gas on the pipeline systems held by portfolio companies in which a Private Fund invests in a manner that adversely affects the profitability of a Private Fund's investments in such portfolio companies; (iv) the risk that, even if FERC permits an increase in tariff rates charged on the pipeline systems held by portfolio companies in which a Private Fund invests, competition from other pipeline systems may prevent such portfolio companies from doing so; (v) the risk that any reduction in the capacity of interconnecting, third party pipelines due to testing, line repair, reduced operating pressures or other causes may result in a reduction of oil and gas volumes transported on pipelines or stored in terminals held by portfolio companies in which a Private Fund invests, thereby potentially adversely affecting the profitability of a Private Fund's investments in such portfolio companies; (vi) the risk that refined oil and gas products and other hydrocarbons transported on and stored in the midstream assets held by portfolio companies in which a Private Fund invests may be released into the environment, which could cause such portfolio companies to be required to make substantial expenditures for responsive action or government-imposed penalties, to be liable to government agencies or private parties for natural resources damages, personal injury or property damages, and to be subjected to significant business interruption; (vii) the risk that, as a result of their ownership or control of or investment in regulated assets such as pipelines, portfolio companies in which a Private Fund invests may be subject to unfavorable rulings imposed

by regulatory authorities; and (viii) the risk of increased costs related to asset integrity management as a result of new rules imposed by the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) of the U.S. Department of Transportation.

17. *Environmental Liabilities.* A Private Fund could face substantial risk of loss from environmental claims arising from investments made with undisclosed or unknown environmental problems or inadequate reserves or insurance for previously identified matters, as well as from occupational safety issues and concerns. Under certain circumstances, U.S. courts have held that a parent company is responsible for the environmental clean-up obligations of its subsidiary imposed by applicable laws. In the event that a Private Fund is the parent of a portfolio company with such obligations, a U.S. court or a court of any other applicable jurisdiction might find that such Private Fund is liable for such obligations. Environmental claims with respect to a specific investment may exceed the value of such investment.
18. *Production.* Exploration and production projects are particularly vulnerable to declines in the demand for and prices of crude oil and natural gas. Reductions in prices for crude oil and natural gas can cause continued production from a given reservoir to cease being economical earlier than it would if prices were higher, resulting in the plugging and abandonment of, and cessation of production from, that reservoir. In addition, lower commodity prices not only reduce revenues but also can result in substantial downward adjustments in reserve estimates. Actual oil and gas prices, development expenditures and operating expenses will vary from those assumed in reserve estimates, and these variances may be significant. Any significant variance from the assumptions used could result in the actual quantity of reserves and future net cash flow being materially different from those estimated in reserve reports. In addition, results from drilling, testing and production and changes in prices after the date of reserve estimates may result in downward revisions to such reserve estimates. Substantial downward adjustments in reserve estimates could have a material adverse effect on a given exploration and production project’s financial position and results of operations and could result in acceleration of result-based loans or defaults thereunder. Actual amounts produced from such reserves may similarly vary. In addition, due to natural declines in reserves and production, exploration and production projects must economically find or acquire and develop additional reserves in order to maintain and grow their revenues and distributions. Oil and gas wells are by their nature depleting assets, and as a result, annual production will naturally decline over the life of a well and so too will returns to a Private Fund attributable to such well. Moreover, U.S. federal, state or local laws, rules, regulations and orders may restrict the rate of oil and gas production below the rate that would otherwise exist in the absence of such laws, rules, regulations and orders, and may restrict the number of wells which may be drilled in any particular area, thereby also restricting the cash flows of a particular portfolio company and, therefore, of a Private Fund. State laws regulate the size and shape of drilling and spacing units or proration units governing the pooling of oil and gas properties. Some states allow forced pooling or integration of tracts to facilitate development while other states rely on voluntary pooling of lands and leases. In some instances, forced pooling or unitization may be implemented by third parties and may result in a reduction of our interest in the unitized properties. In addition, state conservation laws establish maximum rates of production from oil and gas wells, which generally prohibit the venting or flaring of natural gas and impose requirements regarding the ratable production. These laws, rules and regulations may limit the amount of oil and gas that can be produced from wells that generate payments to a Private Fund or limit the number of wells or locations that can be drilled, further limiting potential

payments that might otherwise be made to a Private Fund.

19. *New Technology Risk.* Historically, technology changes in the energy sector have resulted in gradual incremental improvements with no disruptive technology impacts. However, there are currently a number of scientific research institutions (including those supported by major venture capital firms and corporations) seeking to develop technologies designed to reduce dependence upon large scale fossil fuel generation. In the event that any such technology is successfully developed and implemented, a Private Fund's investments may be adversely affected. In addition, the upstream oil and gas industry is characterized by rapid and significant technological advancements and introductions of new products and services using new technologies. As new technologies develop, portfolio companies may be placed at a competitive disadvantage, and competitive pressure may force portfolio companies to implement new technologies at a substantial cost. There can be no assurance that portfolio companies will be successful in implementing new technologies on a timely basis or in a cost effective manner. As a result, new technologies, services or standards could render some of the services, equipment and other assets provided or operated by portfolio companies obsolete, which could have an adverse effect on a Private Fund's investments.
20. *Operator Risks.* Oil and gas operations are subject to many risks, including well blowouts, cratering and explosions, pipe failures, fires, formations with abnormal pressures, uncontrollable flows of oil, natural gas, brine or well fluids, oil spills, severe weather, natural disasters, groundwater contamination and other environmental hazards and risks. Some of these risks or hazards could materially and adversely affect a Private Fund's revenues and expenses by reducing or shutting in production from wells or otherwise negatively impacting the projected economic performance of a portfolio company. To the extent that a Private Fund has a controlling interest in or is deemed to control the operations of any oil and gas asset, such exercise of control may impose additional risks of liability for environmental damage, failure to supervise management, violation of laws and governmental rules and regulations and other types of liability, for which the limited liability generally afforded to investors may be ignored. In particular, if determined to be a direct owner or operator of any portfolio company's facilities or operations, a Private Fund could face strict, joint and several liability under environmental laws for hazardous substance or contamination-related liabilities. The exercise of control over an investment also could expose the assets of a Private Fund to claims by third parties, including creditors of a portfolio company. If any such liabilities were to arise, the Private Fund might suffer significant losses. While a General Partner intends to manage the Private Fund in a manner that will minimize the exposure of these risks, the possibility of successful claims against such Private Fund and/or its affiliates cannot be precluded. A material event such as those described above could expose a portfolio company to liabilities, monetary penalties or interruptions in its operations. While portfolio companies may maintain insurance against some, but not all, of the risks described above, such insurance may not be adequate to cover casualty losses or liabilities and may not cover penalties or fines that may be assessed by a governmental authority. For certain risks, such as political risk, business interruption, war, terrorism and piracy, there may be limited or no insurance coverage. Also, in some cases, a portfolio company may not be able to obtain insurance at premium levels that justify its purchase. The occurrence of a significant event against which a portfolio company is not fully insured may expose such portfolio company and, therefore, a Private Fund, to liabilities.
21. *Ability to Exit Investments.* Individual investments in certain portfolio companies in the

energy industry may have unique geographic and market characteristics (and may be subject to political, regulatory and public opinion considerations), which could make them highly illiquid. In addition, a Private Fund's investments may be quite sizeable. There are limited pools of capital available in the sector that can make sizeable investments and limited numbers of market participants. As a result, the potential exits from these investments may be limited and there can be no assurance that a Private Fund will be able to realize its investments on favorable terms, in a timely manner or at all. Moreover, the realizable value of a highly illiquid investment may be less than its intrinsic value.

22. *Need for Follow-On Investments.* Following an initial investment in a portfolio company, the Adviser may decide to cause a Private Fund to invest additional capital in such portfolio company or may have the opportunity to increase its investment in a portfolio company (whether for opportunistic reasons, to fund the needs of a portfolio company, as an equity cure under applicable debt documents or for other reasons). There is no assurance that any Private Fund will make follow-on investments or that any Private Fund will have sufficient funds to make all or any of such investments. Any determination by a Private Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for such Fund to increase its participation in a successful portfolio company or the dilution of such Fund's ownership in a portfolio company if a third party invests in such portfolio company.
23. *Distressed Securities.* A Private Fund may invest in securities, loans, private claims and other obligations of bankrupt entities or entities experiencing financial difficulties that involve a substantial degree of risk, including companies that may have been or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. A Private Fund may lose a substantial portion or all of its investment in such an entity or may be required to accept cash or securities upon disposition with a value less than a Private Fund's investment. It may be difficult to obtain any information regarding the financial condition of entities experiencing significant financial or business difficulties. The market prices, if any, of instruments issued by distressed companies may be subject to abrupt and erratic movements and above average price volatility, and the spread between the bid and ask prices of such instruments may be greater than expected. It may take a number of years for the market prices, if any, of such instruments to reflect their intrinsic values. Some of such instruments in a Private Fund's portfolio may not be publicly traded, and, to the extent such instruments are publicly traded, a Private Fund's positions in such instruments may be substantial in relation to the market for such securities. Funding a plan of reorganization involves additional risks, including risks associated with equity ownership in the reorganized entity. Investments in distressed securities made in connection with an attempt to influence a restructuring proposal or plan of reorganization in a bankruptcy case may involve substantial litigation. Such investments also may be adversely affected by U.S. state and federal laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the U.S. bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which a Private Fund invested.
24. *Small- and Mid-Cap Company Investments.* A Private Fund may invest in small-cap or

middle market companies. While often presenting greater opportunities for growth, these investments may also entail larger risks than are customarily associated with investments in large companies. Small- and medium-sized companies may have more limited markets and financial resources and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there may be a more limited market for the sale of interests in smaller companies, if any, which may make sales and other dispositions of such investments more difficult. In addition, the relative illiquidity of private equity investments generally and the somewhat greater illiquidity of private investments in small- and medium-sized companies could make it difficult for a Private Fund to react quickly to negative market developments.

25. *Pandemic Risk.* Disease outbreaks that affect local economies or the global economy may materially and adversely impact our investment portfolios and/or our business. These types of outbreaks have the potential to cause severe decreases in core business activities such as manufacturing, purchasing, tourism, business conferences and workplace participation, among others. These disruptions also have the potential to lead to instability in the marketplace, including market losses and overall volatility. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. In the event of a pandemic or an outbreak, there can be no assurance that we or our service providers will be able to maintain normal business operations for an extended period of time or will be able to retain the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impact of a pandemic or disease outbreaks is unknown, which could result in a high degree of uncertainty for potentially extended periods of time.
26. *Cybersecurity Risk.* With the increased use of technologies such as the internet to conduct business, portfolio companies and B-29 Advisors are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting a portfolio company’s and B-29 Advisors’ service providers have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, and additional compliance costs. Similar adverse consequences could result from cyber incidents affecting governmental and other regulatory authorities, exchanges and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. Neither the portfolio companies nor B-29 Advisors can control the cybersecurity plans and systems put in place by their service providers, issuers of securities in which clients invest, or any other third parties whose operations may affect the portfolio companies or B-29 Advisors. Portfolio companies, B-29 Advisors and Underlying Investors could be negatively impacted as a result.
27. *Risks of Financial Fraud.* Instances of fraud and other deceptive practices committed by senior management of certain portfolio companies in which the Private Funds invest may

undermine B-29's due diligence efforts with respect to such portfolio companies, and if such fraud is discovered, negatively affect the valuation of the Private Funds' investments. In addition, when discovered, financial fraud may contribute to overall market volatility which can negatively impact the Private Funds.

#### Certain Conflicts of Interest

There are certain actual, inherent and potential conflicts of interest between B-29 Advisors and its respective employees, officers, directors, principals, members and/or an investment fund designed to allow such persons to co-invest alongside the B-29 private funds, on the one hand, and the Private Funds and/or their investors, on the other. The discussion below highlights certain of such conflicts of interest. B-29 Advisors can give no assurance that conflicts of interest will be resolved in favor of the Private Funds and/or the limited partners of the Private Funds, and, in fact, they might not be. By acquiring an interest, each Underlying Investor will be deemed to have acknowledged the existence of such actual, apparent and potential conflicts of interest and that, subject to the terms of the partnership agreement of each Private Fund, such conflicts will be resolved by B-29 Advisors in its sole discretion but without any guarantee that any situation involving a conflict will be resolved in favor of the Private Funds and/or the Underlying Investors.

#### *Other Activities of the General Partner and Management of the B-29 Private Funds*

Except as provided in the partnership agreement of each Private Fund, the general partners of the Private Funds and their affiliates will not be restricted in the scope of their business or in the performance of any services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest and whether or not such conflicts are described herein. Employees, officers, directors, principals, members and affiliates of B-29 Advisors are not obligated to devote their full time to the Private Funds but will devote such time as required by each Private Fund's partnership agreement and as the relevant General Partner in its sole discretion deems necessary to effectively carry out the operations of each Private Fund. B-29 Advisors and its personnel may have conflicts of interest in allocating their time and services among the Private Funds. In addition, subject to the partnership agreement of each B-29 Private Fund, B-29 personnel may devote a portion of their business time to other activities, such as serving on boards of directors of public and private companies, engaging in civic, professional, industry and charitable activities and conducting and managing personal and family investment activities. Such activities could be viewed as creating a conflict of interest in that the time and effort of such principals may not be devoted exclusively to the business of the Private Funds but are expected to be allocated between the business of the Private Funds and such other activities.

#### *Carried Interest*

Carried interest creates an incentive for a general partner to make potentially more speculative investments for the relevant Private Fund than it would otherwise make in the absence of such performance-based distributions. In addition, the method of calculating a general partner's carried interest could result in conflicts of interest between the general partner, on the one hand, and the Underlying Investors, on the other hand, with respect to the management and disposition of investments, including the timing and sequence of such dispositions.

#### *Conflicts with Portfolio Companies*

Officers and employees of B-29 Advisors often serve as directors or officers of certain portfolio

companies held by the Private Funds and, in that capacity, are required to make decisions that they consider to be in the best interests of the portfolio company. In certain circumstances, for example, in situations involving bankruptcy or near insolvency of the portfolio company, actions that may be in the best interest of the portfolio company might not be in the best interests of the Private Funds, and vice versa. Accordingly, if such a situation were to occur, there are potential conflicts of interests between such individual's duties as an officer or employee of B-29 Advisors and such individual's duties as a director or officer of the portfolio company. Further, a director position could increase the risk that regulators or private litigants will hold, or seek to hold, the Private Fund responsible for non-compliance issues at the portfolio company. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to B-29 Advisors in connection with services such parties provide to such portfolio company, and these amounts are in addition to the expenses or carried interest payable by the Private Funds discussed herein. B-29 Advisors' authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to B-29 Advisors subjects B-29 Advisors and any such portfolio company board appointees to potential conflicts of interest. Further, portfolio companies periodically are counterparties or participants in agreements, transactions or other arrangements with other portfolio companies of B-29 Private Funds that involve fees and/or servicing payments to such other portfolio companies, and there could be conflicts of interests associated in negotiating the terms of such agreements.

#### *Diverse Membership*

Underlying Investors in the Private Funds include taxable and tax-exempt entities and persons from the United States and jurisdictions outside of the United States. Such persons often have conflicting investment, tax and other interests with respect to their investments in the Private Funds. The conflicting interests of individual investors relate to or arise from, among other things, the nature of the investments made by the Private Funds, the structuring of the acquisition of the Private Funds' investments, the purchase by the Private Funds of assets from a portfolio company where certain limited partners did not participate in the Private Fund's investment in such portfolio company, the desire to consummate co-investment opportunities and the timing of disposition of investments. Such structuring of the Private Funds' investments and other factors results in different returns being realized by different Underlying Investors if, for example, one set of Underlying Investors invests through a structure that results in taxes or other expenses that another set of Underlying Investors does not incur. As a consequence, a potential conflict of interest arises in connection with decisions made by B-29 Advisors that may be more beneficial for one Underlying Investor than for another Underlying Investor, especially with respect to Underlying Investors' individual tax situations, including with respect to the nature or structuring of investments. In selecting and structuring investments appropriate for the Private Funds, B-29 will consider the investment and tax objectives of the Private Funds and the investors as a whole and not the investment, tax or other objectives of any investor of such fund individually.

#### *Co-Investments*

B-29 Advisors periodically offers co-investment opportunities to employees, affiliates, third-parties, Underlying Investors, and prospective Underlying Investors in its portfolio companies. There can be no assurances with respect to the amount of any co-investment opportunity that will be made available in connection with the Private Funds, and B-29 Advisors does not provide any guarantee or prediction of the availability of future co-investment opportunities. Investing in the Private Funds does not entitle any investors to allocations of co-investment opportunities.

Each co-investment opportunity (should any exist) is likely to be different, and allocation of each such opportunity will depend on the facts and circumstances specific to that unique situation (e.g., timing, industry sector, size, geography, asset class, projected holding period, exit strategy and counterparty). As a general matter, B-29 Advisors, in determining the allocation of discretionary co-investment opportunities, expects to take into account various facts and circumstances deemed relevant by B-29. Such factors are likely to include, among others, a current or prospective limited partner's ability to execute and fund a transaction quickly, strategic benefits that may arise from being associated with a co-investor, value that such co-investor or its representatives may add to a portfolio company such as through board representation, the amount of capital that such co-investor has or may commit to the Private Funds and whether the co-investor has expressed an interest in co-investments and the views or recommendations of any other investor alongside whom the Private Fund is making an investment, and such other factors that B-29 Advisors deems relevant under the circumstances. The factors listed in the foregoing sentence are neither presented in order of importance nor weighted. In addition, an investor may be offered fewer co-investment opportunities than investors with the same, larger or smaller capital commitments in the Private Funds, and some investors may receive no such offers while other investors with capital commitments of the same, higher or lower amount may receive substantial offers for such opportunities. In cases where a Private Fund invests alongside other investors, including as part of a "club deal," such other investors may have a substantial role in the allocation of co-investment opportunities and may do so according to criteria of their own choosing.

Certain of B-29's employees and other professionals make co-investments in portfolio companies alongside the Private Funds. Although B-29 believes that employee co-investments align the interests of the employees with those of the Private Funds, co-investments could give the appearance that employees are taking investment opportunities that could be used by the Private Funds.

#### *Other Considerations Applicable to Co-Investments*

As discussed in the preceding paragraph, B-29 Advisors is entitled, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more investors and/or other persons, in each case on terms to be determined by B-29 Advisors in its sole discretion. The Private Funds may be required to bear all costs, expenses, liabilities and obligations relating to any non-consummated investment that may have been allocated to one or more persons co-investing in such proposed investment had the proposed investment been consummated.

In general, co-investors do not bear expenses (such as management fees, carried interest, administrative expenses and, except as described below, expenses associated with proposed investments that are ultimately not made by the B-29 private funds) that other investors in a fund complex bear, unless such expenses are attributable to an investment (or investment vehicle) in which such co-investors have invested. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of B-29, ultimately is not consummated, all broken deal expenses relating to such proposed transaction are most likely to be borne entirely by the Private Funds and not by any prospective co-investors that might have participated in such transaction.



### *Conflicts among B-29 Private Funds*

The Private Funds invest in securities of companies that are actual or potential investments of another B-29 Private Fund. The trading activities of those Private Funds may differ from or be inconsistent with activities that are undertaken for the account of another Private Fund in such securities or related securities. In addition, a Private Fund may not pursue an investment as a result of such trading activities by other Private Funds or may invest in opportunities that one or more Private Funds has declined, and vice versa. The foregoing creates conflicts of interest for B-29 Advisors in allocating investment and/or add-on opportunities among the Private Funds and/or their respective portfolio companies. In determining whether a Private Fund should participate in investment opportunities suitable for multiple Private Funds (or a portfolio company thereof), B-29 is subject to potential conflicts of interest among the Underlying Investors in the relevant Private Funds. Investments by multiple Private Funds in a portfolio company may also raise the risk of using assets of one such investment fund to support positions taken by the other investment fund. In providing advice and recommendations to such investments and in dealing with such investments on behalf of any Private Fund or successor investment funds, to the extent not prohibited by law or the partnership agreement of each Private Fund, B-29 Advisors will take into consideration factors other than the interests of the relevant Private Funds and their portfolio companies and investments. Accordingly, such advice, recommendations and dealings may result in adverse consequences to the Private Funds or their investments.

In the case where two or more of B-29's Private Funds invest in the same portfolio company, the amount available for investment by one Private Fund will be correspondingly reduced by the amount of the investment of the other Private Fund. In addition, the terms of the Private Fund's investment, including the type of security or instrument purchased, may be different from the terms of the other co-investing Private Funds' investment. Conflicts could arise after Private Funds make investments in the same portfolio company in respect of the portfolio company's strategy, growth, including, for example, the allocation of add-on opportunities, and financing alternatives and in respect of the manner and timing of a Private Fund's exit from the investment compared to other co-investing Private Funds' exit. If a Private Fund invests in a type of security different from the security purchased by other Private Funds, additional conflicts may arise, particularly if the portfolio company experiences financial difficulties.

It is possible that a Private Fund will invest in a company that is or becomes a competitor of a portfolio company of other Private Funds, which may lead to, among other things, a negative impact on one or more Private Funds' portfolio company's sales performance. Such investment could create a conflict among the B-29 Private Funds. In such a situation, B-29 Advisors may also have a conflict in the allocation of its own resources to the portfolio company.

Although uncommon, from time to time, B-29 may cause one B-29 Private Fund to enter into a transaction whereby the B-29 Private Fund purchases securities from, or sells securities to, other B-29 Private Funds, or co-investors or co-investment vehicles. Such transactions raise potential conflicts of interest, including where the investment of one Private Fund supports the value of portfolio companies owned by another Private Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. In certain circumstances, B-29 Advisors may determine that the willingness of a third party to make an investment on the same terms demonstrates

the fairness of the relevant transaction to the private fund under then-current market conditions and in other cases, B-29 may seek to mitigate a conflict by seeking the opinion of an unaffiliated third party. B-29 Advisors intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Private Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Private Fund.

#### *Expense Allocation*

B-29 is faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the B-29 private funds. B-29, in its sole discretion, will allocate fees and expenses in accordance with the applicable limited partnership agreement of each B-29 private fund and in a manner that it believes in good faith is fair and equitable to the B-29 private funds under the circumstances and considering such factors as it deems relevant. The allocations of such expenses are not always proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size.

#### *Follow-on Investments*

Investments to finance follow-on acquisitions are a regular part of the business of the Private Funds. Follow-on investments present potential conflicts of interest, including determination of the equity component and other terms of the new financing. In addition, a Private Fund may participate in re-leveraging and recapitalization transactions involving portfolio companies in which other Private Funds have invested or may invest. Recapitalization transactions may present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms. B-29 will resolve conflicts using its best judgment but in its sole discretion. Except as required in its limited partnership agreements or side letters, B-29 is under no obligation to offer new investments or follow-on investments to its Underlying Investors, and the terms of any such offering will be decided in B-29's sole discretion.

B-29 generally exercises its discretion to recommend to a Private Fund or to a portfolio company thereof that it contract for services with (i) B-29 or a related person of B-29 (which may include a portfolio company of such Private Fund), (ii) an entity with which B-29 or its affiliates or current or former members of their personnel has a relationship or from which B-29 or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. This discretion subjects B-29 to conflicts of interest, because although B-29 selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Private Fund, B-29 may have an incentive to recommend the related or other person (including a Limited Partner) because of its financial or other business interest. There is a possibility that B-29, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Private Funds or B-29), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not B-29 has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. The terms of any transaction involving the provision of goods or services

to the Private Fund or any of its portfolio companies will be determined by B-29 in its sole discretion and may differ significantly from the terms that may be obtained in an arm's length transaction between unaffiliated parties.

### Disciplinary Information

Neither B-29 Advisors nor B-29 Advisors' management have any pending legal or disciplinary events or any history of disciplinary events that would be material to a client's or a prospective client's evaluation of B-29 Advisors' business or the integrity of its management.

### Other Financial Industry Activities and Affiliations

B-29 GP, LLC, and Sunray Capital GP, LLC, serve as general partners to the clients of B-29 Advisors, which are identified below.

As relying advisers, B-29 GP, LLC, and Sunray Capital GP, LLC, are part of a single umbrella registration by B-29 Advisors, the filing adviser. Accordingly, the three entities are supervised by the same control persons and have adopted and implemented the same policies and procedures (such as, code of ethics) mandated by the Investment Advisers Act of 1940 ("Advisers Act"). As discussed above, we believe that the direct or indirect financial interest in the performance of each of these entities serves to reduce any risk that arises from the payment of performance fees by our Private Funds.

B-29 Advisors financial industry affiliates also include the Private Funds and certain other entities related to the Private Funds:

#### B-29 Investments, L.P.

- B-29 Investments, LP
- B-29 GP, LLC (the general partner)

#### Sunray Capital, LP

- Sunray Capital, LP
- Sunray Capital GP, LLC (the general partner)

#### B-29 Holdings, LP

- B-29 Holdings, LP
- B-29 GP, LLC (the general partner)
- B-29 Management, LLC (the carried-interest vehicle)

Schmitz & Schmitz has been engaged as the fund administrator for the Private Funds. There is a potential for a conflict of interest for the Private Funds in that Schmitz & Schmitz is owned and controlled by John Schmitz, and as such it is under common control with the Adviser and the general

partners of the Private Funds. This conflict is mitigated in that the Funds are audited annually by an independent auditor and the compensation for services provided by Schmitz & Schmitz is reimbursed in accordance with at or below prevailing market rates.

Merit Advisors, LLC has been engaged to provide property tax consulting services to the portfolio companies held by the Private Funds. There is a potential for a conflict of interest for the Private Funds in that Merit Advisors, LLC is owned and controlled by John Schmitz, and as such it is under common control with the Adviser and the general partners of the Funds. This conflict is mitigated in that the compensation for services provided by Merit Advisors, LLC has been negotiated on an arm's length basis in accordance with prevailing market rates.

Additional information regarding actual or potential conflicts involving B-29, the Private Funds, and their related persons is set forth above under "Certain Conflicts of Interest" in the "Methods of Analysis, Investment Strategies and Risk of Loss" section.

**Commented [JS1]:** Any other potential conflicts or relationships to disclose?

## Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

All supervised persons of B-29 Advisors have a fiduciary duty to place the interests of clients ahead of their personal interests and ahead of the interests of B-29 Advisors. B-29 Advisors' supervised persons must avoid activities, interests and relationships that might interfere with, or improperly influence, decisions made in the best interests of each client. All access persons and principals within B-29 Advisors are required to annually certify their compliance with the firm's Code of Ethics (or "**Code**"). A copy of the Code is available to clients or prospective clients of B-29 Advisors from the Chief Compliance Officer ("GC/CCO") upon request via email sent to Jonathan.wilfong@b29advisors.com.

The Code requires each supervised person of B-29 Advisors to disclose the following items to the CCO: outside business activities, political contributions, and gifts/entertainment expenditures. In doing so, each supervised person must obtain CCO approval to participate in such activities. Each supervised person affiliated with B-29 Advisors is also encouraged to disclose to the CCO any other relationships that may pose potential or actual conflicts of interest.

B-29 Advisors' personnel may recommend to clients that they buy or sell securities or investment products in which the applicant or a related-person has some financial interest or indirectly through co-investment vehicle in which Investment Team members have an interest or affiliation in limited circumstances. B-29 Advisors' supervised persons also may buy or sell securities recommended to clients. As such, B-29 Advisors mitigates potential conflicts of interest by requiring all B-29 Advisors' access persons to have personal or related-persons' personal transactions in initial public offerings (IPOs) and limited offerings (e.g., private investments) approved, in advance, by B-29 Advisors' CCO.

## Brokerage Practices

B-29 Advisors, by nature of its private equity focus, invests primarily in private companies. On occasion, however, B-29 Advisors takes portfolio companies public or merges portfolio companies

into public companies for cash and/or publicly-traded securities. As part of an exit strategy, any publicly-traded securities acquired on behalf of a private fund may be sold in the public markets.

When B-29 Advisors decides to transact in publicly traded securities in the open market as part of a portfolio company acquisition or exit strategy, investment professionals evaluate strategies for trading in such public securities. Strategies may include holding securities over the short or long term, selling securities over the short or long term, or distributing securities to Underlying Investors, among other things. The investment professionals seek “best execution” for any open market purchase or sale of securities in connection with the implementation of these strategies.

“Best execution” is not synonymous with lowest brokerage commissions or other transaction costs. In determining whether a particular broker-dealer is likely to provide best execution in a particular transaction, B-29 Advisors takes into account all factors that it deems relevant to the broker-dealer’s execution capability, which may include, but not be limited to the following: listed bids and asks, market making activities of the broker-dealer in the securities, the opportunity for price improvement, transaction costs, anonymity, liquidity, speed of execution, expertise with difficult securities, trading style and strategy, geographic location, and frequency of errors.

B-29 Advisors may receive products or services from broker-dealers and other counterparties that, to B-29 Advisors’ knowledge, are generally made available to all institutional clients doing business with these counterparties, provided that these products and services are made available to B-29 Advisors on an unsolicited basis and without regard to transaction costs paid by the funds or the volume of business that B-29 Advisors directs to these counterparties.

#### Soft Dollars/Brokerage Selection

B-29 Advisors does not have any soft dollar arrangements or directed brokerage arrangements; additionally, in the private equity context, client referrals are not relevant to B-29 Advisors’ selection or recommendation of broker-dealers.

#### Review of Accounts

Each of the Private Funds’ investments is assigned to a team of investment professionals who have an ongoing responsibility to monitor the asset for any material developments. Additionally, B-29 Advisors’ investment staff meet monthly, at a minimum, to review the Private Funds’ holdings and to confirm that such holdings conform to the investment guidelines of the Private Fund.

The Private Funds generally hold private investments within the oil and gas sectors. These positions are monitored by B-29 Advisors’ investment team on a regular and current basis. As the Private Funds are managed on a discretionary basis, B-29 Advisors has established policies to coordinate the oversight of portfolio investments. The Underlying Investors generally receive quarterly reports and annual audited financial statements for the Private Funds in which they are invested.

Additionally, B-29 Advisors will typically seek some element of control on portfolio investments so as to maximize its potential impact during the management and oversight process. B-29 professionals are frequently expected to serve on the boards of the companies comprising the Private Funds’ investments and to participate heavily in monitoring such companies’ progress.

Certain Underlying Investors request additional information relating to the Private Funds and, to

the extent such information is readily available or may be obtained without unreasonable effort or expense, B-29 Advisors may provide such Underlying Investors with the information requested.

### Client Referrals and Other Compensation

B-29 Advisors' clients are the Private Funds to which it provides advisory services. It does not compensate any third parties for client referrals.

### Custody

B-29 Advisors has access to client accounts because its affiliates serve as the general partners of the Private Funds. The Private Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles and are distributed to each Underlying Investor in accordance with the applicable Private Fund's governing documents.

### Investment Discretion

B-29 Advisors provides investment advice to the Private Funds on a discretionary basis, and does not provide individual investment advice to the Underlying Investors. The general partners of the Private Funds accept discretionary investment authority for each Private Fund, which discretion is typically subject to investment guidelines set forth in the applicable Private Fund's governing documents.

### Voting Client Securities

B-29 Advisors accepts authority to vote securities held by the Private Funds through the general partners of the Private Funds. Proxies are voted by the general partner of the Private Funds in consultation with B-29 Advisors and in accordance with the Private Fund's governance documents. A client may obtain information on how their proxies were voted by contacting us.

### Financial Information

B-29 Advisors and its affiliates have never filed for bankruptcy and are not aware of any financial condition that is expected to affect its ability to manage the Private Funds.