

**Part 2A of Form ADV - FIRM BROCHURE**

**Item 1 – Cover Page**

**Merewether Investment Management LP**

1900 N. Pearl St. Suite 2175  
Dallas, TX 75201  
(214) 453-5527  
Compliance@merewetherinvestment.com  
<https://www.merewetherinvestment.com/>

This brochure (the “**Brochure**”) provides information about the qualifications and business practices of Merewether Investment Management LP. (the “**Adviser**” or “**Merewether**”). If you have any questions about the contents of this Brochure, please contact us at (214) 453-5527. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Additional information about the Adviser is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Merewether is a registered investment adviser. Registration with the SEC as an investment adviser does not imply that Merewether or any of its employees possess a particular level of skill or training.

**March 2024**

## **Item 2 – Material Changes**

Merewether last filed the annual update of this Brochure on February 9, 2023. Since this last annual update, Merewether has updated its regulatory assets under management described in Item 4.

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#### Item 4 - Advisory Business

- A. Merewether, a Texas limited partnership, was formed in July 2017 and has its principal place of business in Dallas, Texas. Merewether Management GenPar, LLC, a Texas limited liability company, is the general partner of Merewether. Rod Saddington is the principal owner and managing member of Merewether Management GenPar, LLC. Merewether acts as the investment manager to three sponsored master-feeder investment structures (each a “**Fund**” and collectively referred to herein as the “**Funds**”) for sophisticated, qualified investors (“**Investors**”); and (ii) sub-advised accounts (the “**Managed Accounts**”, which, collectively with the Funds, are referred to as the “**Clients**”))<sup>1</sup>.
- B. Merewether pursues its investment strategy through managing its Clients. Merewether has discretion with respect to investment decisions made for the Clients. The Adviser provides investment advisory services to the Funds based on the investment objectives and strategies described in each Fund’s confidential offering memorandum and governing documents. Merewether provides its services to the Managed Accounts in accordance with an investment management agreement between Merewether and the respective Managed Account.
- C. Advisory services are tailored to achieve the investment objectives described in the applicable Client’s confidential offering memorandum and governing documents, including but not limited to an investment management agreement (referred to collectively as “**Offering Documents**”). Generally, Merewether has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Clients or Fund Investors. Merewether does not tailor its advisory services to the individual needs of Fund Investors and does not accept Fund Investor imposed investment restrictions. The Adviser may tailor its advisory services with respect to the individual needs of its Managed Account Clients. Each advisory agreement with Managed Account Clients was separately negotiated and designed to suit the needs of the respective Client and its respective investment guidelines which may include restrictions on investing in certain securities or types of securities.
- D. The Adviser will not participate in wrap fee programs.
- E. As of December 31, 2023, the Adviser managed approximately \$2,295,972,250 in regulatory assets under management on a discretionary basis. Merewether does not manage any advisory client assets on a non-discretionary basis.

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<sup>1</sup> As a registered investment adviser, the Adviser owes a fiduciary duty to all of its clients. In 2006, the decision by the Court of Appeals for the D.C. Circuit in *Goldstein v. SEC*, 451 F.3d 873 (D.C. Cir. June 23, 2006), with respect to private funds, clarified that the “client” of an investment adviser to a private fund is the Fund itself and not an Investor in the Fund.

## Item 5 – Fees and Compensation

The below describes how the Adviser is generally compensated in connection with providing advisory services to its Clients. However, the Adviser may enter into different fee arrangements on a Client by Client basis. A potential investor in a Fund or any potential Client should review any and all Offering Documents in their entirety before making any investment decisions.

- A. Set forth below is a description of the fees and expenses paid by the Funds and Managed Accounts, respectively:

### *The Funds*

In consideration for its services to the Funds, Merewether is entitled to receive a quarterly Management Fee calculated at an annual rate of (i) 1.25-1.5% of each Investor's Capital Account (a "**Capital Account**") attributable to Standard Class Interest and (ii) .75% to 1.0% of each Investor's Capital Account attributable to any Founders Class Interest (the "**Management Fee**"). The Management Fee is payable in advance as of the first business day of each calendar quarter. The Management Fee may be waived, reduced or discounted from time to time in the Adviser's discretion with respect to one or more Investors without consent of the other Investors.

Merewether Special Partners, LP, an affiliate of the general partner, is entitled to a Performance Allocation (the "**Performance Allocation**") at the end of each calendar year, generally calculated as follows: (i) with respect to any Standard Class Interest, the Performance Allocation is equal to 17.5% of the amount by which the Fund's net profits allocated to the associated Standard Class Capital Account for such calendar year (after reduction for the Management Fees debited to such Standard Class Capital Account) exceeds the associated loss carryforward; and (ii) with respect to any Founders Class Interest, the Performance Allocation is equal to 15% of the amount by which the Fund's net profits allocated to the associated Founders Class Capital Account for such calendar year (after reduction for the Management Fees debited to such Founders Class Capital Account) exceeds the associated loss carryforward. Merewether Special Partners, LP may, in its sole discretion, reduce, waive or rebate the Performance Allocation with respect to any Investor, including, without limitation, any affiliated investors, without entitling any other Investor to the same or similar or identical reduction, waiver or rebate, and shall not be required to obtain the consent or approval of, or give notice to, any Investor in connection therewith.

### *Managed Accounts*

In connection with the advisory services provided to the Managed Accounts, Merewether will receive compensation that is negotiated with each Managed Account Client on an account-by-account basis.

- B. The Funds pay a management fee quarterly in advance as compensation for the management services to be performed by the Adviser. Such fees are generally deducted from the Investor's Capital Account. The Adviser has the right to reduce, waive, assign, participate or otherwise

share or modify the management fee chargeable with respect to any Investor (including any affiliate of the Fund's general partner or the Adviser) without the consent of, or notice to, any other Investor. Fees are not automatically deducted from the Managed Accounts. Merewether bills the applicable Managed Account for fees incurred. The Adviser is compensated pursuant to advisory agreements that were individually negotiated with each Managed Account.

- C. The Funds will pay all expenses of the organization of the Fund and the offering of interests, including legal and accounting fees, printing costs, travel, "blue sky" and other regulatory filing fees and expenses, and out-of-pocket expenses, but not including placement fees.

Each Fund bear their own operating and other expenses, including but not limited to: (i) costs and expenses related to its investment program, including expenses related to proxies, underwriting and private placements, data feed hardware and software, research, evaluation, due diligence, negotiation, consummation, management, valuation and disposition of investments, trade publications, brokerage commissions, bank service fees, interest on debit balances or borrowings, custody fees, fees assessed by prime brokers, and other third-party service fees, and any taxes (including, but not limited to, withholding and transfer taxes) imposed on the Fund, expenses relating to any short sales, clearing and settlement charges, and travel expenses related to the investment process; (ii) costs and expenses related to operations, portfolio and trading-related software, including trade order management software (i.e., software used to route trade orders and manage the portfolio) and related connectivity costs; (iii) all out-of-pocket costs of the administration of the Fund, including, without limitation, fees and expenses of any Administrator, bookkeeping accounting, audit, tax and tax preparation expenses, legal expenses, costs of any litigation or investigation involving the Fund's activities, printing and duplication expenses, and costs associated with reporting and providing information to existing and prospective Investors, the costs of holding any meeting of the partners, and any costs of procuring and maintaining insurance for the benefit of the Fund, the Fund's general partner, and the Adviser; (iv) any governmental, regulatory, licensing, filing or registration fees and expenses (including any fees and expenses associated with any regulatory, operations or compliance consultant) incurred by the Fund, the Fund's general partner or the Adviser in compliance with the rules of any self-regulatory organization or any federal, state or local or other applicable laws; (v) any withholding, transfer or other taxes imposed on, or payable by, the Fund or any of its partners; (vi) all costs, fees and expenses associated with the ongoing offering of the Interests; (vii) information technology expenses associated with all aspects of the Fund's operations (including, without limitation, the costs associated with establishing and maintaining investor reporting systems, and information technology and data security programs and other systems designed to manage and control cyber security risk); (viii) expenses of any administrative proceedings undertaken by the Fund's general partner in its capacity as the Fund's "partnership representative"; (ix) any costs or expenses associated with the winding up and liquidation of the Fund; (x) such other reasonable expenses necessary to perform the operation of the Fund as determined by the Fund's general partner in its sole discretion; (xi) all extraordinary expenses of the Fund, including, without limitation, indemnification costs, litigation costs or damages, trade errors, and costs incurred in connection with any reorganization or restructuring of the Fund); and (xii) the Fund's pro rata share of any similar expenses incurred at the master fund level. In addition, the Clients

may incur brokerage and other transaction costs. Please see the disclosures in *Item 12* as it relates to Merewether's brokerage activities.

Greater detail regarding fees and expenses, as well as other important information regarding an investment in a Fund is more fully set forth in its governing documents.

- D. As stated above, management fees are deducted from each Investor's Capital Account and paid quarterly in advance. The Management Fee is prorated for any period that is less than full quarter for capital contributions made by new or existing investors and refunded on a prorated basis upon withdrawal or redemption from the Fund prior to quarter-end.

The Managed Accounts pay Merewether compensation based on the relevant Managed Account's percentage of the Adviser's assets under management. Upon the termination of an advisory contract, a Managed Account shall pay a draw prorated through the end of the foregoing notice period.

- E. Other than as described above, neither Merewether nor any of its supervised persons receives any additional 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, Merewether and its affiliates may receive performance-based fees from its Clients. The specific structure and calculation of the performance-based fee are described in detail in each respective Offering Document. These payments 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, which requires that performance-based fees only be charged to “qualified clients” (as such term is defined in Rule 205-3).

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee-paying clients over other clients in the allocation of investment opportunities. To address these conflicts of interest, the Adviser has implemented policies and procedures to ensure that all client accounts receive equitable and fair treatment over time with respect to the allocation of investment opportunities.



## **Item 7 – Types of Clients**

Please refer to *Item 4*, Advisory Business – Advisory Services for a description of our Clients.

Merewether provides investment advisory services to its Clients based on the investment objectives and strategies described in its Offering Documents.

Investors in the Funds are required to complete and submit a subscription agreement binding them to the terms of the Fund’s governing documents. Merewether only admits “accredited investors”, as defined in Rule 501(a) of Regulation D under the Securities Act of 1933 and “qualified clients” as defined in Rule 205-3 of the Advisers Act. Depending on the Fund, the minimum investment is either \$500,000 or \$5,000,000, however a Fund’s general partner may accept investments in a lesser amount at its sole discretion.

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

- A. The Adviser has three primary investment objectives and strategies. One is to generate absolute returns by employing a long/short or long-only, energy focused investment strategy. The Adviser will invest in securities issued by companies in the energy sector, including but not limited to, issuers involved in exploration for or production of energy-related natural resources; issuers that provide products or services to the energy sector, midstream companies that provide transportation or processing of energy-related natural resources; downstream companies, companies involved in the electric vehicle value chain, or any other industrial company exposed to the energy sector. The second objective is to invest in these same sectors, while employing a long-only investment strategy. The third and final is to extract the alpha from the adoption of “new energy” fuel sources. Each new energy fuel source has an associated “value chain.” The Adviser will invest in publicly traded equities across the entire new energy value chain. Such fuel sources include, but are not limited to, wind, solar, hydroelectric, hydrogen, geothermal, renewable diesel or biodiesel, biomass, etc. In pursuit of its investment objectives and in deploying its strategies, the Adviser may invest in financial instruments, such as derivatives, to hedge its exposure, as well as any other financial instruments providing direct or indirect exposure to the energy sector, and such other instruments or interests that the Adviser deems appropriate. The Adviser relies on fundamental analysis to determine specific energy industry trends and identify opportunities created by dislocation in various markets or securities, and may also make investments based on company specific factors or events.

Investing in securities and other instruments involves risk of loss that Investors should be prepared to bear, including but not limited to, those described below. The management style offered by Merewether is not intended as a complete investment program and may not be suitable for all investors. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of such an investment. No guarantee or representation is made that the Adviser will achieve its investment objectives or that there will be any return of capital, and investment results may vary substantially on a monthly, quarterly, or annual basis.

Although the Adviser seeks to reduce the risks associated with the Clients’ investments, prospective investors should consider carefully, among other factors, the risks described below. Such risk factors are not meant to be an exhaustive listing of all potential risks associated with investments in the Clients.

- B. The following is a summary of certain significant risks associated with the Adviser’s investment strategies:

*General Investment Risks.* All investments in financial instruments entail the risk of loss. The Funds may invest in a wide variety of financial instruments, including, without limitation, equities, equity-linked securities and equity-related securities, options, futures contracts and other commodity interests, swaps, currencies, fixed income and fixed income related products, all of which involve particular risks. Such investments are subject to investment-specific price fluctuations as well as to macro-economic, market and industry-

specific conditions, including, but not limited to, national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments such as the financial viability, sales and product lines of corporate issuers, national and international politics and governmental events, and changes in income tax laws. Moreover, the Funds may have only limited ability to vary its investment portfolio in response to changing economic, financial and investment conditions. No guarantee or representation is made that a Fund's investment program will be successful, and investment results may vary substantially over time.

*Trading is Speculative and Volatile.* Financial instrument prices may be highly volatile. Price movements of financial instruments in which a Fund's assets are invested are influenced by, among other things, changing supply and demand relationships, weather, agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments, political and economic events and policies, changes in national and international interest rates and rates of inflation, currency devaluations and revaluations, and sentiments of the marketplace. No assurance can be given that the Funds will be profitable or that it will not incur substantial losses.

*Reliance on Fundamental Analysis.* The Adviser bases its trading decisions, in whole or in part, on fundamental analysis. Fundamental analysis considers financial instrument-specific factors, including, without limitation, country gross domestic product, monetary policy, inflation expectations, trade balances and geopolitical metrics. The Adviser's operating belief is that price converges to fundamental value over time, but that price can differ significantly from fundamental value for a variety of temporary reasons. It is this discrepancy the Adviser strives to exploit. The Adviser's fundamental analysis may be flawed in that it identifies what turns out to be the wrong opportunities and/or its assessment of fundamental value turns out to be incorrect in that the financial instrument does not converge to that valuation.

*General Economic and Market Conditions.* The success of a Fund's investment activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, climate change, local epidemics and global pandemics, political circumstances (including wars, terrorist acts or security operations) and changes in laws that could have a negative impact on the economy and business activity in any of the regions in which the Funds may invest and thereby adversely affect the performance of its investments. A portion of a Fund's assets may be invested in countries where the market economy is relatively less developed. Although the recent general trend in such countries has been towards more open markets and the promotion of private business initiatives, no assurance can be given that the governments of these countries will continue to pursue such policies or that such policies may not be altered significantly. Political instability, economic distress, the difficulties of adjustment to a market economy, social instability, organized crime or other factors beyond the Adviser's control could have a material adverse effect on the performance of a Fund.

*Epidemics and Pandemics.* Many countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and, currently, COVID-19. The

epidemic or pandemic outbreak of an infectious disease in a country or region of the world or globally, together with any resulting restrictions on travel, transportation or production of goods, provision of services or quarantines imposed, could have a negative impact on the U.S., regional or global economy and business activity in any of the countries in which the Funds may invest and thereby adversely affect the performance of a Fund. While the economic impact of the ongoing global outbreak of the coronavirus is presently uncertain, such outbreak and any future outbreak of an infectious disease or any other serious public health concern in a country, region or globally could materially harm a Fund's investments. In addition, COVID-19 has led to significant volatility in the securities, commodities and other markets and the coronavirus and any future outbreak of an infectious disease or any other serious public health concern may lead to additional volatility and illiquidity of a Fund's investments.

*Market Dislocation, Illiquidity and Volatility.* Significant dislocations, illiquidity and volatility in the global financial markets have occurred in the past several years (and may occur once again), which had an adverse effect on market liquidity and caused significant market disruption. To the extent that such marketplace events occur again, they may have an adverse impact on the availability of credit to businesses generally and lead to an overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect certain of a Fund's investments to greater or lesser extents. Such marketplace events also may restrict the ability of a Fund to sell or liquidate investments at favorable times or for favorable prices (although such marketplace events may not foreclose a Fund's ability to hold such investments until maturity).

*Diversification.* Since the Funds' portfolio will not necessarily be widely diversified, the investment portfolio of the Funds may be subject to more rapid changes in value than would be the case if the Funds were required to maintain a wide diversification among companies, securities and types of securities.

*Leverage.* The Funds may use leverage for investment and other purposes, such as providing the Funds with liquidity. The Funds may obtain its leverage in any manner deemed appropriate by the Adviser, including trading on margin and entering into derivative transactions that have the effect of providing the Funds leveraged exposure to certain assets. The degree of leverage that the Funds may utilize will be subject to applicable legal, regulatory, bank or broker-imposed leverage limitations. The Adviser will employ leverage as it deems appropriate per the Fund's risk/return and cash management objectives.

*Default and Counterparty Risk.* The brokers, banks and other financial institutions with which the Funds does business or at which the Funds' assets are held may encounter financial difficulties that impair the operational capabilities or the capital position of the Funds. Past events in the financial markets have challenged the financial stability of a number of established financial institutions. Should one of the Funds' brokers, banks or other counterparties become bankrupt and/or fail to segregate the Funds' assets on deposit as required, the Funds may be subject to a risk of loss. In addition, there can be no guarantee in the event of a broker's insolvency that the pool of customer property held by such institution pursuant to applicable law will be sufficient to satisfy all customer claims, including those of the Funds. Further, even if the Funds do not lose the assets on deposit with one or more

brokers (or other financial institutions with which the Funds may deal), the Funds could incur market losses as a result of financial difficulties at such institutions (including, but not limited to, in situations where the Funds may be unable to access its assets and/or execute transactions through its brokers or other financial institutions in a timely manner). In addition, any non-U.S. financial intermediary may be subject to bankruptcy or other regulatory regimes different from those applicable to U.S. institutions, and in doing business with such non-U.S. financial intermediaries, the Funds may not be afforded certain of the protective measures provided by U.S. laws and regulations (e.g., the Bankruptcy Code and the Securities Investor Protection Act of 1970). Although the Adviser will attempt to limit its risk in this area, there is no action that the Adviser can take that can completely eliminate it.

*Currency and Exchange Rate Risks.* The Funds may invest in financial instruments denominated in currencies other than the U.S. dollar or in financial instruments which are determined with references to currencies other than the U.S. dollar. The Funds, however, will generally value its assets in U.S. dollars. The value of the Funds' assets will fluctuate with U.S. dollar exchange rates as well as with price changes of its investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the Funds may make investments will reduce the effect of increases and magnify the U.S. dollar equivalent of the effect of decreases in the prices of the Funds' financial instruments in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Funds' non-U.S. dollar financial instruments. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned, gains and losses realized on the sale of financial instruments and net investment income and gains, if any, of the Funds.

*Hedging Transactions.* The Funds may utilize financial instruments for investment purposes and for risk management and hedging purposes. Since the characteristics of many financial instruments change as markets change or time passes, the success of the Funds' strategy will also be subject to the Adviser's ability to continually recalculate, readjust and execute its strategy in an efficient and timely manner. While the Funds may enter into transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Funds than if it had not engaged in any such transactions. Imperfect correlation between positions across the Funds' portfolios may prevent the Funds from achieving its intended exposure or position size, which may expose the Funds to risk of loss. Moreover, it should be noted that the portfolio will always be exposed to certain risks that cannot be mitigated, such as credit risk (relating both to particular financial instruments and counterparties) and "widening" risk.

*Turnover.* The Funds' capital may at times be invested on the basis of short-term market considerations. The portfolio turnover rate of those investments may be significant, potentially involving substantial brokerage commissions, mark-ups and fees. These commissions and fees will reduce the Funds' profits.

*Soft Dollars.* The Adviser may enter into "soft dollar" arrangements with one or more broker-dealers whereby the Adviser will direct securities transactions to the broker-dealer in return for research products and services from the broker-dealer. Although the Adviser will use the

research and services in making investment decisions for the Funds, the Adviser may use such research or services for other accounts and the Funds will generally pay more than the lowest available commissions for execution of these transactions. The Adviser may also enter into “soft dollar” arrangements to cover Fund expenses or costs and expenses of the Adviser to the extent such arrangements are permitted by law.

*Cybersecurity Risks.* The Funds, the Adviser, their respective service providers and relevant listing exchanges are susceptible to operational, information security and other cybersecurity risks, both directly and through their respective service providers. Similar types of cybersecurity risks are also present for issuers of securities in which the Funds invests, which could result in material adverse consequences for such issuers and may cause the Funds’ investment in such portfolio companies to lose value. These risks may not be covered by insurance. In general, cybersecurity incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through hacking or use of malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out without ever obtaining direct access to the targeted systems, such as through a denial-of-service attack which could result in the target’s network services becoming unavailable to its intended users. Cybersecurity failures by, or breaches of, the systems of any of the Fund’s general partner, Adviser, administrator and other service providers (including, but not limited to, data providers, fund accountants, custodians, transfer agents and attorneys), market makers or the issuers of securities in which the Funds invests, could cause disruptions and impact business operations, potentially resulting in one or more of the following: material financial losses, interference with the Funds’ ability to calculate its net asset value, unintended disclosure of confidential trading information, material impediments to trading, submission of erroneous trades or redemption orders, the inability of the Funds or its service providers to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. In addition, cyber-attacks may render inaccessible, inaccurate or incomplete any or all of the records of the Funds’ assets, transactions, ownership of Interests, and other data integral to the functioning of the Funds. Substantial costs may be incurred by the Funds in order to prevent or address cyber-incidents in the future. The Adviser and the Fund’s general partner have established a cybersecurity policy and business continuity procedures to address and mitigate these cybersecurity risks. Despite these efforts, certain risks may not yet have been identified and it is possible that prevention and remediation efforts will be inadequate or unsuccessful. Additionally, because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against the Funds, the Funds may be unable to anticipate these techniques or to implement adequate preventive measures. Furthermore, the Fund’s general partner and Adviser are unable to directly control the cybersecurity procedures and systems of any service providers or portfolio companies, and any of the Funds and the Investors could be materially and adversely impacted as a result.

- C. The following is a brief summary of sector risks and risks associated with particular securities recommendations:

*Renewable Energy Sector Risk.* Certain Fund investments will be in the renewable energy sector, and therefore will be susceptible to adverse economic, business, social, political, environmental, regulatory or other developments affecting such sector. Investments in renewable energy companies may be more volatile than investments in companies operating in more established industries. Renewable energy companies are subject to specific risks, including, among others: fluctuations in commodity prices and/or interest rates; changes in governmental policies and/or regulations; reduced availability of renewable energy sources or other commodities for transporting, processing, storing or delivering; slowdowns in new construction; seasonal weather conditions, extreme weather or other natural disasters; and threats of attack by terrorists on certain renewable energy assets. Renewable energy companies can be significantly affected by the supply of, and demand for, particular energy products, which may result in overproduction or underproduction. Additionally, changes in the regulatory environment for renewable energy companies may adversely impact their profitability. Obsolescence of existing technology, short product cycles, falling prices and profits, competition from new market entrants and general economic conditions can significantly affect companies operating in the renewable energy sector. Certain investments may be dependent on U.S. and foreign government policies, including tax incentives and subsidies.

*Cyclical Risk.* The operating results of issuers in the broader energy sector are generally highly cyclical, with fluctuations in commodity prices and demand for commodities driven by a variety of factors. Commodity prices and energy asset values have recently experienced extremely high volatility. The highly cyclical nature of the energy sector may adversely affect the earnings or operating cash flows of the issuers in the energy sector in which the Funds will invest.

*Supply Risk.* The profitability of energy companies, particularly those involved in processing, gathering and pipeline transportation, may be materially affected by the volume of natural gas or other energy commodities available for transportation, processing, storage or distribution. A significant decrease in the production of natural gas, crude oil, coal or other energy commodities, due to the decline of production from existing resources, import supply disruption, depressed commodity prices or otherwise, would reduce the revenue, operating income and operating cash flows of energy companies and, therefore, their ability to make distributions or pay dividends, which could adversely affect the Funds' performance.

*Demand Risk.* A sustained decline in demand for energy products could adversely affect an energy company's revenues and cash flows. Factors that could lead to a sustained decrease in market demand include a recession or other adverse economic conditions, an increase in the market price of the underlying commodity that is not, or is not expected to be, merely a short-term increase, higher taxes or other regulatory actions that increase costs, or a shift in consumer demand for such products. Demand may also be adversely affected by consumer sentiment with respect to global warming and by state or federal legislation intended to promote the use of alternative energy sources. It is impossible to predict whether demand for energy, which has experienced declines in the recent past, could further decline, especially if prices rebound.

*Risks Relating to Expansions and Acquisitions.* Energy companies utilize a variety of strategies to increase cash flow, including increasing utilization of existing facilities, expanding operations through new construction or development activities, expanding operations through acquisition, or securing additional long-term contracts. Thus, some energy companies may be subject to construction risk, development risk, acquisition risk or other risks arising from their specific business strategies. Energy companies that attempt to grow through acquisitions may not be able to effectively integrate acquired operations with their existing operations. In addition, acquisition or expansion projects may not perform as anticipated. A significant slowdown in merger and acquisition activity in the energy sector could reduce the growth rate of cash flows received by the Funds from issuers in the energy sector that grow through acquisitions.

*Weather Risk.* Extreme weather conditions along the gulf coast, such as Hurricane Harvey in 2017, could result in substantial damage to the facilities of certain energy companies located in the affected areas and significant volatility in the supply of natural resources, commodity prices and the earnings of energy companies, and could therefore adversely affect the performance of the Funds' investments in such companies. Extreme weather conditions are expected to become more common, magnifying the risks to these energy companies and increasing the likelihood of losses.

*Interest Rate Risk.* The prices of the equity securities of the energy companies the Funds expects to hold in its portfolio are susceptible in the short term to a decline when interest rates rise. Rising interest rates could limit the capital appreciation of securities of certain investments as a result of the increased availability of alternative investments with yields comparable to those investments. Rising interest rates could adversely affect the financial performance of energy companies generally by increasing their cost of capital. This may reduce their ability to execute acquisitions or expansion projects in a cost-effective manner.

*Exploration and Production.* Exploration, development and production companies 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 a given reservoir to become uneconomic for continued production 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. The accuracy of any reserve estimate is a function of the quality of available data, the accuracy of assumptions regarding future commodity prices and future exploration and development costs and engineering and geological interpretations and judgments. Different reserve engineers may make different estimates of reserve quantities and related revenue based on the same data. 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 of drilling, testing and production and changes in prices after the date of reserve estimates may result in downward revisions to such estimates. Substantial downward adjustments in reserve



estimates could have a material adverse effect on a given exploration and production company's financial position and results of operations.

*Energy Sector Regulatory Risk.* The profitability of energy companies could be adversely affected by changes in the regulatory environment. Energy companies are subject to significant regulation in virtually every aspect of their operations, including with respect to how facilities are constructed, maintained and operated, environmental and safety controls, the use of feedstocks and other inputs as well as processes utilized in the energy sector, the disposal of waste and byproducts, and the prices they may charge for the products and services they provide. Such regulation can change over time in both scope and intensity. Stricter laws, regulations or enforcement policies could be enacted in the future which would likely increase compliance costs and could adversely affect the financial performance of energy companies.

*Equity Securities.* The Clients may invest in equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments.

*Options.* Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value.

*Small-Cap Stocks.* The Funds may invest in small-cap companies. While smaller companies may have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger corporations. In addition, the Funds may be unable to sell certain small-cap stocks at an advantageous time or price. In most cases, the frequency and volume of their trading is substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. Also, due to thin trading in some of these stocks, an investment in these stocks may be considered less liquid than an investment in many larger-capitalization stocks, making purchases or sales at desired prices or in desired quantities more difficult.

*Foreign Securities.* Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the Funds are maintained) and the various foreign currencies in which

the Funds' portfolio securities will be denominated and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) imposition of foreign income, withholding or other taxes; and (v) the extension of credit, especially in the case of sovereign debt.

*Derivative Instruments.* The Clients could potentially create leverage via the use of instruments such as options and other derivative instruments. The value of a derivative depends largely upon price movements in the underlying asset; hence many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. In addition, there are a number of other risks associated with derivatives trading, such as increased exposure for the Clients, exposure to liquidity risks and counterparty risks. The Clients may invest in options, which can provide a greater potential for profit or loss than an equivalent investment in the underlying asset and may involve different risks than investing in directly in the underlying asset.

*Fixed-Income Investments.* The Funds may invest in fixed-income financial instruments. The value of fixed-income financial instruments will change as the general levels of volatility and interest rates fluctuate. When interest rates decline, the value of fixed-income financial instruments can be expected to rise. Conversely, when interest rates rise, the value of such financial instruments can be expected to decline. To the extent that interest rates move in a direction contrary to the direction anticipated by the Adviser, the overall investment performance of the Funds will be affected.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED ASSOCIATED WITH MEREWETHER'S INVESTMENT ANALYSIS AND INVESTMENT STRATEGIES. SUBSTANTIAL ADDITIONAL RISKS MAY BE PRESENT. PROSPECTIVE INVESTORS SHOULD READ THE OFFERING DOCUMENTS AND CONSULT WITH THEIR OWN ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT.**

**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 the evaluation of the Adviser or the integrity of Adviser's management.

There are no legal or disciplinary events that are material to a Client or prospective client's evaluation of Merewether's advisory business or the integrity of its management.

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

- A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives 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. Merewether Special Partners LP is an affiliate of the general partner and is entitled to receive a share of the Performance Allocation from the Fund. This may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case if such arrangement was not in effect. However, as noted in *Item 11*, the Adviser has a written Code of Ethics that contains policies and procedures to address conflicts of interest. Under such policies and procedures, the Adviser is required to make investment decisions for its Clients in a manner that is consistent with its fiduciary duties to its Clients.
- D. The Adviser does not recommend or select other investment advisers for its Clients nor does it have any business relationship with other advisers that might create a material conflict of interest.

## Item 11 - Code of Ethics, Participation 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 Adviser employees execute personal securities trading in a manner that mitigates actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. The Adviser requires pre-clearance of purchases of an IPO or a new private placement; pre-clearance of certain personal securities transactions; periodic reporting of employees' personal securities transactions and holdings; and prompt internal reporting of Code violations.

As part of its Code, the Adviser has established procedures to reduce the inherent risk created by potential material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists.

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

- B. Neither the Adviser nor any of its related persons recommend to its Clients securities in which the Adviser or any related persons have a material financial interest.
- C. The Adviser or related persons may invest in securities that it recommends to Clients. This may create an incentive for the Adviser to allocate securities in favor of the Adviser's proprietary accounts over the Client accounts. To address these conflicts of interest, the Adviser has implemented personal trading policies within the Code that requires pre-clearance of personal trades in certain circumstances; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.
- D. Subject to the requirements of the Code, the Adviser or related persons may recommend investments to Clients, or make investments for Clients, at or about the same time that the Adviser or its related persons buys or sells the same investments for their own personal account. See *Item 11.C.* above for a discussion on how these conflicts of interest are addressed.

## Item 12 - Brokerage Practices

- A. The Adviser has complete discretion to determine, subject to each Client's disclosed investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries will use in effecting the transactions for Clients, and the commission rates to be paid for such transactions.

### *Brokerage*

The Adviser selects the broker-dealers and other financial intermediaries used to effect transactions on behalf of its Clients. The Adviser seeks to obtain "best execution" from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect portfolio transactions, the Adviser may cause the Clients to enter into arrangements pursuant to which the Clients pay transaction costs in an amount greater than would be incurred if another broker-dealer were used. The Adviser is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions executed by the Clients may be cleared through, and the Clients' investment instruments may be held by, a number of financial institutions the Adviser will select on terms negotiated with each such financial institution individually. Subject to the Adviser's Offering Documents, the Adviser may use a variety of financial institutions both to take advantage of differing expertise and capabilities and to avoid, due to credit concerns, having all investment instruments concentrated at one firm.

### *Brokerage for Client Referrals*

In selecting or recommending broker-dealer for client accounts, the Adviser nor its related person will consider the receipt of client referrals when selecting broker-dealers to execute transactions.

### *Directed Brokerage*

The Managed Accounts will have designated firms to serve as both the custodian and prime broker for its assets. The Managed Accounts, however, will not routinely recommend, request or require the Adviser to execute transactions through a specified broker-dealer. The executing brokers retained by Merewether will be selected by the Adviser at its sole discretion.

### *Soft Dollars*

The Adviser may receive from a Client's broker-dealers, products and services in addition to brokerage services.

A portion of the commissions generated on the Client's brokerage transactions may generate "soft dollar" credits that the Adviser is authorized to use to pay for research and other non-research related services and products used by the Adviser or its affiliates. The Adviser may enter into "soft dollar" arrangements with one or more broker-dealers whereby the Adviser

will direct securities transactions to the broker-dealer in return for research products and services from the broker-dealer. The Adviser will use the research and services in making investment decisions for the applicable Client. The Adviser may also enter into “soft dollar” arrangements to cover Client expenses or costs and expenses of the Adviser to the extent such arrangements are permitted by law.

The Adviser has authority to use “soft dollar” credits generated by the Clients’ securities transactions to pay for expenses that might otherwise have been borne by the Adviser. This may give the Adviser an incentive to select brokers or dealers for Client transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Adviser rather than giving exclusive consideration to the interests of the Client. In the event that the Adviser elects to use soft dollars, it intends to limit such use to services that fall within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended, or such services that are otherwise reasonably related to the investment decision-making process.

The term “soft dollars” refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of the Adviser may create a conflict of interest between the Adviser and its Clients. Research and brokerage products and services may be used by the Adviser in servicing some or all of the Adviser’s Clients. In addition, some research and brokerage may not be used by the Adviser in servicing the Clients whose commission dollars provided for the research or brokerage. In addition, the availability of these non-monetary benefits may influence the Adviser to select one broker rather than another to perform services for its Clients.

- B. In managing Clients’ portfolios, the Adviser may aggregate trades if it believes that doing so is consistent with its duty to seek best execution and to negotiate more favorable commission rates or other transaction costs than might be paid if orders are placed independently. When Advisory Client trades in the same security or other instrument cannot be aggregated into a single order, the Adviser will direct the trades to the market in a way that seeks to best achieve equivalent treatment.

#### Trade Allocations

Trade allocation decisions are made in a manner that is both fair and equitable to all of its Advisory Clients in accordance with the investment objectives of the Advisor’s Clients. The Adviser will take steps to ensure that no Client will be systematically disadvantaged by the aggregation, placement or allocation of trades. The Adviser will allocate investments among

the accounts of its Clients in a manner which it believes to be fair and equitable. The Adviser will not allocate investment opportunities based on anticipated compensation or profits to the Adviser, any affiliates or its professionals. In addition, no allocations will be made to a personal account of any employee of the Adviser. To ensure fairness in the allocation of investment opportunities amongst Clients, the Adviser will allocate investment opportunities with regard to the suitability of such investments to each Client. In determining the suitability of each investment opportunity for a Client, consideration will be given to a number of factors, the most important being the Advisory Client's investment objectives, strategies, guidelines, existing portfolio composition and cash levels, as well as legal, tax and regulatory suitability. If the Adviser has determined to invest at the same time for more than one of Clients, the Adviser will generally place combined orders for all such accounts simultaneously, and if all such orders are not filled at the same price, it will generally average the prices paid. The Adviser may, however, determine not to allocate investments that may be suitable for multiple Clients in accordance with a standard allocation method for a variety of reasons that are set forth in the trade allocation policy adopted by the Adviser.

#### Trade Error Policy

The Adviser may from time to time make trade errors. Trade errors are not errors in judgment, strategy, market analysis, economic outlook, etc., but rather errors in implementing specific trades which the Adviser had determined (rightly or wrongly) to make. Trade errors include, for example, purchases or sales of securities that the Adviser knows or should have known were not legally authorized for a Client's account, purchases or sales of securities not authorized by the Client's investment advisory contract, and failure to place a portfolio manager's order to purchase or sell securities as intended, such as by transacting in the wrong securities or for the wrong amount, or effecting a buy instead of a sell. The Adviser seeks to promptly correct any trade errors incurred by a Client account. It is the Adviser's goal to reduce the number and frequency of trade errors. If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines or restrictions occur, the Adviser's error correction procedure is to ensure that Clients are treated fairly. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy and the relevant Offering Documents.



### **Item 13 - Review of Accounts**

- A. The Adviser is responsible for reviewing Client investment portfolios. The Principal of the Adviser is responsible for reviewing Client investment portfolios on a continuous basis relating to, among other factors, position sizes; security positions; exposure levels; margin requirements and investment opportunities.
- B. See *Item 13.A.* above.
- C. The Adviser provides written periodic financial reports, such as audited annual financial statements to the Investors in the Funds. Merewether or the custodian of the Managed Accounts provides a written account statement or report to the Managed Accounts on a periodic basis, depending on the terms negotiated between the Managed Accounts and Merewether. The reports include the performance of the account along with other information as agreed by Merewether and the Managed Accounts.

**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 Clients.
- B. The Adviser utilizes third-party placement agents in connection with the sale of interests in the Funds and compensates such third-party placement agents for their services.

## **Item 15 - Custody**

The Adviser is deemed, under Rule 206(4)-2 of the Advisers Act, to have custody of the assets of the Funds by virtue of the common control of the Adviser and the general partner of the Funds. All assets and securities of the Funds are held by qualified custodians. As noted in *Item 13* above, Investors receive annual financial statements audited by an independent public accounting firm. Fund investors are urged to carefully review these statements.

Merewether is not deemed to have custody of the assets held in the Managed Accounts. The Managed Accounts do not surrender ownership of any cash or securities comprising the assets in its accounts. Merewether may not remove any cash or securities from a Managed Account and the assets subject to supervision will be maintained in street name in the respective Managed Account's custody with the custodian and/or broker-dealer selected by the Managed Accounts and set forth in each respective investment management agreement. Managed Accounts should carefully review account statements received from the broker-dealer, bank or other qualified custodian. Merewether periodically evaluates its status under the custody rule to determine any change.

## **Item 16 - Investment Discretion**

Merewether exercises full discretionary authority in managing the investments made by the Funds based on the Funds' investment objectives, policies, and strategies disclosed in its Offering Documents. Merewether contractually assumes discretionary authority over the assets of the Funds under an investment management agreement entered among Merewether, the Funds and its general partner.

The Managed Accounts appoint the Adviser as agent and attorney-in-fact, with full power and authority in the Adviser's sole and absolute discretion to purchase, sell (including short sale), tender, exchange, convert or exercise and otherwise acquire or dispose of and trade and deal in or with the investments for the Managed Accounts in such manner as the Adviser considers appropriate, consistent with its strategies and the limits fully described in its investment management agreement.

## **Item 17 - Voting Client Securities**

- A. The Adviser exercises proxy voting authority on behalf of Clients. The Adviser may refrain from voting proxies at its discretion. The Adviser generally receives proxies from the prime broker. The Adviser must act as a fiduciary when voting proxies on behalf of its Clients. In that regard, the Adviser seeks to avoid possible conflicts of interest in connection with proxy voting. In the event that the Adviser engages in proxy voting, it will comply with its written policies and procedures governing the voting of client securities to ensure such proxies are voted in the best interests of its Clients.

If a material conflict is identified, the Principal, or such other designee (in consultation with outside compliance consultants and/or legal counsel) will determine what course of action is in the best interests of the affected Clients (which may include utilizing an independent third party to vote such proxies). Further, Merewether will determine whether it is appropriate to disclose the conflict to affected Clients

In the event the Adviser participates in proxy voting, the Adviser will keep record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions, each client request for proxy voting records, and Merewether's response for the previous five years. Investors do not have the ability to direct proxy votes.

Advisory Clients may obtain additional information regarding how Merewether voted proxies and may obtain a copy of Merewether's proxy voting policies and procedures by contacting [Compliance@merewetherinvestment.com](mailto:Compliance@merewetherinvestment.com)

- B. As discussed above, Merewether has the authority to vote Client securities.

**Item 18 - Financial Information**

- A. Merewether does not require or solicit prepayment of more than \$1,200, six months or more in advance.
- B. Merewether does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Clients.
- C. Merewether has not been the subject of a bankruptcy petition at any time during the past ten years.