



A R C H E A N

## Firm Brochure (Part 2A of Form ADV)

March 28, 2024

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### IMPORTANT DISCLOSURE:

This Firm Brochure ("Brochure") provides information about the qualifications and business practices of Archean Capital Partners II, L.L.C. ("Archean Capital Partners" or "Archean"), an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). If you have any questions about the contents of this Brochure, please contact us at (610) 640-9551 or contact Charles Keates, Chief Compliance Officer, by email at [ckeates@archeancapital.com](mailto:ckeates@archeancapital.com). Registration with the SEC does not imply that either Archean or its employees possess a certain level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

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

## *Item 2. Material Changes*

This section will be amended annually, or more frequently, as necessary, to identify and discuss material changes that may have occurred in the interim following a previous update of this Brochure. As such, we discuss here only material changes since our last update of this Brochure on March 31, 2023.

*Pursuant to a merger transaction completed on September 15, 2023, Pathstone Family Office, LLC (“Pathstone”) acquired Veritable, LP (“Veritable”), one of the former joint venture owners of Archean (the “Transaction”). In connection with this Transaction, Veritable transferred all its interests held in Archean and its affiliated entities to Eozoic Capital, LLC, a newly formed entity that is beneficially owned by substantially the same prior owners of Veritable. In advance of the Transaction, Archean provided notice to and received the required consents from its advisory clients in connection with the resulting change of control of Archean due to the Transaction.*

*Please see Item 4 for additional information with respect to Eozoic, which has been updated to reflect the Transaction. In addition, certain disclosures in Items 10 and 11 were also updated to reflect Eozoic’s assumption of Veritable’s joint venture interests in Archean.*

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## *Item 4. Advisory Business*

### **Overview of Advisory Firm and Principal Ownership**

Archean Capital Partners II, L.L.C., doing business as Archean Capital Partners (“Archean”), is a limited liability company organized in Delaware in 2018, to provide discretionary investment advisory services to one or more private funds. Archean was formed with a goal of achieving income and capital appreciation primarily by acquiring interests in privately offered investment funds sponsored or advised by new, emerging or start-up investment managers.

Archean is a joint venture owned by Eozoic Capital, LLC (“Eozoic”) and Moelis Asset Management, L.P. (“Moelis”). Eozoic and Moelis are collectively referred to as the “JV Partners.” Eozoic was formed as a result of the Transaction previously described in Item 2, in which Pathstone acquired Veritable and the joint venture interests previously held by Veritable in Archean were contributed to Eozoic. As a result, Eozoic assumed all of Veritable’s rights and obligations with respect to Archean under its existing operating agreements. Eozoic is beneficially owned by substantially the same owners of Veritable prior to the Transaction. Because Veritable’s existing operations, including its personnel, were transferred to Pathstone upon completion of the Transaction, Eozoic and Pathstone entered into a services agreement in which the services previously provided by Veritable to Archean would continued to be provided by Pathstone on behalf of Eozoic following the Transaction.

Moelis is the parent company for alternative asset management firms with leading capabilities in private equity, direct lending, credit funds and structured products. Moelis has been built on the premise of backing high caliber investment firms with products it believes can provide attractive risk adjusted returns for investors. Moelis has a track record of successfully developing early-stage asset management platforms and other financial services businesses, and deep relationships with hundreds of private market investment firms across all major market sectors and geographies. The businesses of Moelis include Freeport Financial Partners LLC, a direct lending platform, Gracie Asset Management, L.P., a multi-strategy credit manager, Moelis Capital Partners LLC, a private equity firm focused on middle market companies, Moelis Asset Catalyst Partners LLC, a private equity firm focused on seeding first time funds, and Steele Creek Investment Management, LLC, a manager of collateralized loan obligations and other broadly syndicated loan products. Moelis was also the founding investor of College Avenue Loans LLC, a private student loan originator, and is a joint venture partner in Crossbeam Venture Partners, a venture capital platform. Moelis advisers currently have aggregate assets under management of over \$8.1 billion.

## **Services Provided to Advisory Clients**

Archean's current clients are private funds and/or special purpose vehicles owned by private funds (in either case, "Affiliated Funds"). It is expected that many of the investors in such Affiliated Funds may also be clients of Pathstone. Employees of Pathstone or Moelis and/or their affiliates will also invest in the Affiliated Funds.

Affiliated Fund advisory services are provided pursuant to a Fund Advisory Agreement or Investment Management Agreement or similar investment advisory agreement (in any case, an "IMA") tailored to the requests of applicable Affiliated Funds and their respective General Partner(s) (each a "General Partner" - generally also an Archean affiliate). Archean does not tailor its advisory services to the individual needs of any underlying investor.

As provided for in applicable IMA(s), Archean assists and advises Affiliated Fund General Partner(s) with the management of certain business and investment operations. As manager or investment adviser of an Affiliated Fund, Archean assists and advises the General Partner with such matters as: (i) identifying, evaluating and selecting potential underlying funds in which to invest Affiliated Fund assets and potential underlying managers to manage all or a portion of Affiliated Fund assets; (ii) allocating Affiliated Fund assets among various investments; and (iii) monitoring ongoing Affiliated Fund performance. Archean may also deploy the assets of Affiliated Funds to non-fund investments and may maintain bank and other accounts for Affiliated Funds. Furthermore, Archean provides or assists in the provision of other portfolio management, investment management, administrative and managerial services for Affiliated Funds.

Archean may also assist in certain underlying fund matters (such as with regard to the vehicles in which Affiliated Funds invest).

## **Regulatory Assets Under Management**

As of the date of this Brochure, the total regulatory assets under management are \$527,831,000 representing the total commitments of three private funds, namely, Archean Capital Partners I, L.P., Archean Capital Partners (Master) Fund II, L.P., and Archean Capital Partners (Offshore) Fund II, L.P.

## **Wrap Fee Programs**

Archean does not offer or participate in wrap fee programs.

## *Item 5. Fees and Compensation*

Archean receives compensation for the investment advisory services it provides to its clients in the form of fees, generally calculated as a percentage of AUM, drawn capital, committed capital, or net invested capital (the “Management Fee”). The specific nature, rate, method of calculation and manner of payment of the Management Fee for Affiliated Fund investors is fully disclosed in the offering documents of each Affiliated Fund (the “Offering Documents”). It is normally paid quarterly and in advance via being reduced directly from the underlying investors capital balance or via invoices submitted for each applicable Affiliated Fund and, as appropriate, to the underlying investors in such Affiliated Fund. Matters concerning pro-ratio for partial quarters (if any) is discussed in applicable Offering Documents.

Management Fees cover general services provided directly by Archean to the Affiliated Funds including portfolio management, investment management and administrative services and may be waived, rebated, or reduced in certain instances. Affiliated Funds will generally have at least two classes. See below for current fee schedules.

Due to the seed nature of Affiliated Funds, an additional revenue share may be earned pertaining to fees actually earned by Underlying Managers. This revenue share amount, if applicable, will be negotiated with each Underlying Manager individually. If Archean is entitled to some amount thereof, the terms will be set forth in applicable Offering Documents.

### **Schedule of Affiliated Funds Management Fees**

#### 1. Archean Capital Partners I, L.P.

- **Management Fee:** The Management Fee will be 1.00% per annum of the aggregate capital commitments of limited partners during the investment period until the end of the commitment period of the Affiliated Fund. After the commitment period of the Affiliated Fund, the Management Fee will be 1.00% per annum on the lesser of the aggregate of the: (i) capital commitments of limited partners; and (ii) fair market value of the investments remaining in the Affiliated Fund as set forth in the fund’s most recent quarterly financial statements.

Eozoic and Moelis will split evenly the Management Fee; provided, however, as explained in more detail below, depending on the class of interests owned by an investor, Eozoic will waive its share of the Management Fee for Class A Interests (herein defined) for those investors that are investment consulting clients of Pathstone.

Interests are divided into Class A and Class B Interests. All limited partners will participate in all investments of the Affiliated Fund in the same manner. The only distinctions among the classes are that they are charged different fees. Class A Interests (“Class A Interests”) will be offered and issued to investors that have retained Pathstone to provide comprehensive investment consulting services under a separate investment consulting agreement (“ICA”). So long as a Class A investor remains an investment consulting client of Pathstone, the investor will not be subject to Management Fees, but rather will pay a separate investment consulting fee to Pathstone pursuant to the terms of the relevant ICA based on the investor’s total assets under management (which includes the assets invested in the Affiliated Fund).

In the event that a Class A investor terminates such ICA with Pathstone, all Class A Interests held by the investor at the time of termination shall automatically be converted to Class B Interests. Class B Interests will be offered and issued to investors in the Affiliated Fund that have not otherwise retained Pathstone for investment consulting services under an ICA (“Class B Interests”). Class B Interests are subject to the 1% Management Fee.

The manager has reserved the right to waive, reduce or calculate differently the Management Fee, in whole or in part, whether by reduction, rebate or otherwise, with respect to any partner (including its affiliates, persons who may be clients of a JV Partner or their respective affiliates and other parties).

- **Revenue Share:** Additionally, the Affiliated Fund also has the right to receive an ongoing percentage share of all management fees and incentive-based compensation calculated on a gross basis from all advisory services provided by an underlying manager until the Affiliated Fund receives a numeric or other multiple of the fund’s committed capital to or investment with such underlying manager. Limited partners are entitled to receive a portion of such revenue share as set forth in the Affiliated Fund’s offering documents.

The General Partner has reserved the right to waive, reduce or calculate differently the allocation of special investment proceeds, in whole or in part, whether by reduction, rebate or otherwise, with respect to any partner (including its affiliates, persons who may be clients of a JV Partner or their respective affiliates and other parties).

## 2. Archean Capital Partners (Master) Fund II, L.P.

- **Management Fee** With respect to each limited partner, the manager shall be entitled to an annual management fee, payable quarterly in advance at the beginning of each calendar quarter equal to: (i) during the investment period, 1% of underlying fund committed capital; and (ii) after the end of the investment period, 1% of net invested capital. The Management Fee shall begin to accrue as of the date the fund's first capital commitment to an underlying fund is accepted by such underlying fund. Eozoic and Moelis will split the Management Fee evenly.

The manager has reserved the right to waive, reduce or calculate differently the Management Fee, in whole or in part, whether by reduction, rebate or otherwise, with respect to any partner (including its affiliates, persons who may be clients of a JV Partner or their respective affiliates and other parties).

- **Revenue Share:** Additionally, the fund also has the right to receive an ongoing percentage share of all management fees and incentive-based compensation calculated on a gross basis from all advisory services provided by an underlying manager until the fund receives a numeric or other multiple of the fund's committed capital to or investment with such underlying manager. Limited partners are entitled to receive a portion of such revenue share as set forth in the fund's offering documents.

The General Partner has reserved the right to waive, reduce or calculate differently the allocation of special investment proceeds, in whole or in part, whether by reduction, rebate or otherwise, with respect to any partner (including its affiliates, persons who may be clients of a JV Partner or their respective affiliates and other parties).

## 3. Archean Capital Partners (Offshore) Fund II, L.P.

- Each limited partner in the Archean Capital Partners (Offshore) Fund II, L.P. will be subject to the same management fee and revenue share in the Archean Capital Partners (Master) Fund II, L.P. described above. Generally, these fees will be accessed at the Archean Capital Partners (Master) Fund II, L.P. level. If the Archean Capital Partners (Offshore) Fund II, L.P. makes any investments (directly or indirectly) outside of the Archean Capital Partners (Master) Fund II, L.P., the limited partners will be subject to a management fee, calculated on substantially the same terms and conditions as those set forth in the Archean Capital Partners (Master) Fund II, L.P. Memorandum (subject to any appropriate adjustments to reflect tax,



legal, regulatory and other considerations), with respect to such investments.

### **Other Expenses**

In addition to paying the Management Fee, each Affiliated Fund is responsible for all expenses set forth in that Affiliated Fund's Offering Documents. For example, these Affiliated Fund level expenses include, but are not limited to indemnification related costs as well as third-party services such as audit, tax, accounting, legal, custody, and other administrative fees. Affiliated Funds will also be responsible for brokerage related charges and custody related fees at the Affiliated Fund level.

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

Archean does not receive any specific performance-based fees or allocations. However, Affiliated Funds may receive a revenue share ("Revenue Share") from underlying funds as set forth in applicable Offering Documents and/or other performance related compensation (if and to the extent set forth in applicable Offering Documents) which would be partially allocated to the Affiliated Fund's General Partner. The underlying managers or general partner of the funds in which Affiliated Funds invest may also receive performance-based fees which will be paid by the Affiliated Funds.

Performance-based compensation arrangements may create an incentive for manager and general partner entities (to the extent that they have a level of direct or indirect influence or control over investment decisions) to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. Please see Item 11 for additional information related to these and other potential conflicts of interest and how Archean and/or its affiliates address them.

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

As of the date of this Brochure, Archean's clients are the Affiliated Funds. As noted above, it is expected that many of the investors in such Affiliated Funds may also be clients of Pathstone, along with employees of Pathstone and/or Moelis and/or their affiliates.

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

### **Methods of Analysis and Investment Strategies**

#### **Fund Investment Management**

For Archean advised Affiliated Funds, Archean expects to primarily target investments in investment funds that have limited operating histories (each, an “Underlying Fund”), including “first-time” funds, funds sponsored by newly formed, emerging or start-up underlying managers or Underlying Funds formed by experienced Underlying Managers seeking to launch their own advisory businesses (in either case, “Underlying Managers”). The Archean investment team (the “Investment Team”) believes that early stage Underlying Funds often have attributes that may position them well for strong performance and growth especially during the initial stages of their development.

In addition, Archean believes that it can potentially enhance investor returns through fund structuring. In return for allocating significant anchor capital to an Underlying Manager, Archean seeks to generate additional returns through a revenue sharing arrangement, which would enable the investing Affiliated Fund (and, indirectly, its investors) to participate in the future economics of the Underlying Manager’s business.

The Investment Team generally seeks to develop an understanding of the nuances of a prospective Underlying Manager’s strategy. The initial review typically entails interviews by the Investment Team of the key investment professionals and evaluations of any written materials relating to the prospective Underlying Manager. If Archean’s assessment of the market opportunity warrants a “deeper dive” (including meeting with identified team members to further underwrite the validity of the strategy) Archean will move a prospective Underlying Manager to the next stage. In conjunction with the Investment Team, Archean operations staff members assist them with the completion of investment and operational due diligence before the prospective Underlying Manager is on-boarded to the platform. A more detailed description of the investment methods of analysis and due diligence are set forth in the Affiliated Funds Offering Documents.

### **Certain Risk Factors**

The investments sought by Archean may carry different levels of risk. All securities include a risk of loss of principal and any profits that have not been realized. As historic global and domestic economic events have indicated, investments fluctuate substantially over time and performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets Archean manages on a client’s behalf, and such a loss may be out of our control. This loss may be by general economic and market conditions where Archean and underlying managers have a lack of control, such as, but not limited to,

interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barrier, currency fluctuations and controls, national and international political circumstances and force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of infectious disease, pandemic or any other serious public health concern, war, terrorism, etc.). Archean cannot guarantee any level of performance and cannot guarantee that clients will not experience a loss of their account assets. Investing in securities involves risk of loss that clients should be prepared to bear. Past investment performance is not indicative of future results.

The Offering Documents of each Affiliated Fund provide a variety of disclosures of key items of risk in such Affiliated Fund. Some of the notable risks to which client assets may be susceptible are as follows. However, potential investors should read the entire Offering Documents of each Affiliated Fund for a further enumeration or explanation of the risks involved in acquiring interests and consult with their own advisors before making a determination whether to subscribe for an interest.

1. Risks Associated with Investing in Funds. Investors should be aware that an investment in an Affiliated Fund involves a high degree of risk. There can be no assurance that an Affiliated Fund's investment objective will be achieved or that a limited partner will receive a return of its capital. Investing in securities involves risk of loss that clients should be prepared to bear. For further information, please refer to an individual Affiliated Fund's Offering Documents.

2. Partnership Expenses. The expenses of an Affiliated Fund (including the payment of fees by the Affiliated Fund to an Underlying Funds) may be a higher percentage of net assets than would be found in other investment entities.

3. Multiple Levels of Fees. Investors in an Affiliated Fund may pay multiple levels of fees including fees to Underlying Managers for the management of the investment. In the aggregate, these fees may significantly reduce net returns to an investor. If it were possible for an investor to invest directly in an Underlying Fund, the investor might pay lower fee amounts.

4. Limited Withdrawal Rights. Limitation on withdrawal rights and the inability to trade limited partnership interests create a relatively illiquid investment and involve a high degree of risk.

5. Lack of Liquidity of Affiliated Fund Assets, Valuation. An Affiliated Fund's assets will include securities (such as interests in Underlying Fund(s)) for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments. The valuation

of a security by Underlying Managers in Underlying Funds may create a conflict of interest, as its value will affect the Underlying Manager's compensation.

6. Illiquid and Long-Term Investments. An Affiliated Fund may (and generally will) invest in illiquid securities and will generally not be able to sell its interest in an Underlying Fund or any securities distributed to it by an Underlying Fund. An Affiliated Fund may not be able to (and generally will not) withdraw capital or to withdraw as a Limited Partner or member from an Underlying Fund.

7. Contribution in Excess of Capital Commitment. Pursuant to a limited partnership (or limited liability company or similar) agreement of an Underlying Fund to satisfy an indemnification and other obligation, an Affiliated Fund may be required to make a contribution to an Underlying Fund in an amount in excess of its uncalled commitment. Each Affiliated Fund limited partner will be severally obligated to contribute its *pro rata* share of the contribution, which may be an amount in excess of its capital commitment to the Affiliated Fund in question.

8. Performance-Based Compensation Arrangements with Underlying Managers. An Affiliated Fund will enter into arrangements with Underlying Managers that provide that an Affiliated Fund be compensated, in whole or in part, based on performance-based fees that the Underlying Manager will receive during specific measuring periods. Such performance-based arrangements may create an incentive for Underlying Managers to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements.

9. Lack of Diversification in Affiliated Funds. Although an Affiliated Fund may invest its assets across several Underlying Managers, there is no limit as to the percentage of an Affiliated Fund's assets that may be allocated to anyone Underlying Manager. This may expose such Affiliated Fund's investments to more rapid change in value than would be the case if the assets were more widely diversified.

10. Affiliated Fund and Underlying Fund Investment in Unregistered and Restricted Securities. Affiliated Funds will not be registered under the securities laws and are subject to legal and contractual restrictions on transfer and are illiquid. Affiliated Funds generally will, and Underlying Funds may invest in unregistered securities, the transfer of which is restricted. These investments generally are less liquid than investments in registered securities and may reduce the ability of a fund to quickly transform its portfolio into cash to pay withdrawals or expenses.

11. Use of Leverage. The use of leverage by an Underlying Fund may expose the Underlying Fund (and indirectly the associated Affiliated Fund(s)) to risks such as (i) greater losses from investments than would result in the absence of borrowing to make the investments, and (ii) losses on investments where the investment fails to earn a return

that equals or exceeds the Underlying Fund's cost of leverage related to such investments. In certain instances, an Affiliated Fund may also employ borrowing to facilitate the investment process (e.g., in the case of investors who do not fulfill their capital contribution obligations).

12. Importance of Key Personnel of Underlying Funds. Archean will have no control over the activities of Underlying Funds, including investments made by Affiliated Funds in Underlying Funds. The operations of an Underlying Fund may be heavily dependent upon certain key personnel; the loss of services of such key personnel could adversely affect the Underlying Funds and, indirectly, any Affiliated Funds investing in Underlying Funds.

13. Concentration in Underlying Fund(s). An Affiliated Fund's investment may be in only one or in only a small number of Underlying Funds, and thus Affiliated Fund holdings will not be diversified.

14. Multiple Portfolio Managers. An Affiliated Fund will invest with Underlying Managers who make their investment decisions independently of one another. It is possible that one or more of such Underlying Managers may, at any time, (i) take positions opposite to those taken by other Underlying Managers; (ii) compete with one another for similar positions at the same time; and (iii) take positions for their other clients which may be opposite to positions taken for Underlying Funds.

15. Limits on Information. Although Archean will request detailed information from each Underlying Manager regarding the Underlying Manager's historical performance and investment strategy, such Underlying Managers may not always provide Archean with detailed information regarding all their investments they make because certain parts of this information may be considered proprietary or because they are newly formed.

16. Management Risk of Funds. The applicable General Partner(s), with the advice of Archean, have wide discretion in investing Affiliated Fund capital. An Affiliated Fund's success depends, to a great extent, upon the ability of Archean and the General Partner to find appropriate investment strategies, to select Underlying Managers and to properly allocate Affiliated Fund assets among the Underlying Managers. Affiliated Fund limited partners have no control over the selection of Underlying Managers / Underlying Funds.

17. Risk of Early Losses. An Affiliated Fund may suffer substantial early losses, especially if Underlying Funds incur significant losses of assets. In such circumstances, the risk of an Affiliated Fund having to seek to terminate its investments will be substantially increased.

18. Strategy Risk. The failure or deterioration of an entire strategy may cause most or all Underlying Funds that employ that strategy to suffer significant losses. Strategy specific losses may result from excessive concentration by multiple managers in the same investment or broad events that adversely affect particular strategies (e.g., illiquidity within a given market). Certain of the strategies employed by the Underlying Funds may be highly speculative and involve substantial risk of loss in the event of such failure or deterioration.

19. Underlying Funds in Early Stages of Formation. Affiliated Funds may invest in Underlying Funds that are in an early stage of formation or operation. Such an investment can pose a number of operational and other issues. For example, in its early stages an Underlying Fund may have little capital available to cover expenses and, accordingly, may have difficulty attracting qualified personnel. Underlying Managers may face competition from other funds, which may be more established, have a larger number of qualified management and technical personnel and benefit from a larger capital base.

20. Underlying Managers. Underlying Managers are subject to various risks, including, but not limited to, operational risks such as the ability to provide the adequate operating environment for an Underlying Fund such as back-office functions, trade processing, accounting, administration, risk management, valuation services and reporting. Additionally, certain Underlying Managers may pursue over time different investment strategies which may limit applicable Affiliated Funds' ability to assess an Underlying Manager's ability to achieve its long-term investment objective. Furthermore, an Underlying Manager may face additional risks as the assets of an Underlying Fund increase over time. In such instances, an Underlying Manager may not be able to handle properly the operating volumes of an Underlying Fund with an increased capital basis. Also, an Underlying Manager may be unable to manage an Underlying Fund's increased assets effectively because it may be unable to maintain such Underlying Fund's current investment strategy or find the types of investments better suited for an Underlying Fund with an increased capital basis.

21. Dependence on the Underlying Managers. Affiliated Funds will be investing in Underlying Funds managed by persons unrelated to the principals of Archean. As such, neither Affiliated Funds nor Archean will necessarily be permitted to evaluate investment opportunities or relevant business, economic, financial or other information that will be used by the investment committee or the fund managers of Underlying Funds in making decisions. Underlying Managers who are in the early stages of development may not fully deploy capital, raise sufficient capital or execute the investment strategy as anticipated due to a variety of factors including limited personnel, and other resources. Affiliated Funds will not have an active day-to-day role in the management of Underlying Funds in which the Affiliated Funds invest. Accordingly, the returns of Affiliated Funds depend



significantly upon the performance of these unrelated individuals and could be substantially adversely affected by the unfavorable performance of such individuals.

22. Allocation. In conducting the investment program of Affiliated Funds, the General Partner thereof may, from time to time, be presented with opportunities to co-invest in an investment in an Underlying Fund or other vehicle. The General Partner may allocate such co-investment opportunities among Affiliated Fund(s), Affiliated Fund limited partners and/or any third parties as the General Partner may, in its sole discretion, determine.

23. Cyber Security Risk. As part of its business, Archean processes, stores and transmits electronic information, including information relating to the transactions of the Funds and personally identifiable information of the investors. Similarly, service providers may process, store and transmit such information. Archean has procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to Archean may be susceptible to compromise, leading to a breach of the network. Archean's systems or facilities may be susceptible to employee error or malfeasance, government surveillance or other security threats. Online services provided by Archean to investors, if any, may also be susceptible to compromise. Breach of Archean's information systems may cause information relating to the transactions of the Funds and personally identifiable information of investors, if any, to be lost or improperly accessed, used or disclosed.

Cyber-attacks also could disrupt Archean's daily operations related to portfolio management. In addition, technology disruptions and cyber-attacks may affect the operations or securities prices of an issuer or a group of issuers, and thus may have an adverse impact on the value of a Fund's investments. Cyber-attacks on securities markets or the financial services infrastructure could cause market volatility or the failure of critical financial services and could affect a Fund's performance.

24. Outbreaks of Infectious or Contagious Diseases; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola, and COVID-19 have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity, all of which may result in significant losses to an Affiliated Fund. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, put in place severely restrictive measures, including instituting local and

regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. As a result, COVID-19 significantly diminished global economic production and activity of all kinds and contributed to both volatility and declines in markets for financial assets as well as commodities and other assets. Among other things, these unprecedented developments resulted in material reductions in demand across some, many or all categories of consumers and businesses, dislocation (or in some cases a complete halt) the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, and strain and uncertainty for businesses and households. Certain industries are likely to feel such impacts particularly acutely, for instance industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment and industries related to natural resources production and development. The COVID-19 crisis and any other future public health emergency could result in significant adverse impacts on the Affiliated Funds. The extent of the impact of any such emergency depends on many factors, all of which are highly uncertain and cannot be predicted, which may impact Archean’s ability to source, diligence and execute new investments and to manage, finance and exit investments in the future, or cause significant changes or reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. Likewise, social or governmental mitigation actions may (among a wide variety of other potential effects) constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Affiliated Funds intend to pursue, all of which could adversely affect the Affiliated Funds’ ability to fulfill their investment objectives. They may also impair the ability of the Affiliated Funds’ investments or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences, including the potential for defaults by borrowers under debt instruments held by an Affiliated Fund. In addition, the operations of the Affiliated Funds, their investments, and Archean and their respective affiliates may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other social, political, financial, legal, regulatory and other factors related to an actual or threatened public health emergency (such as COVID-19), including its potential adverse impact on the health of any such entity’s personnel. These measures may also hinder such entities’ ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices,



and diminishing their ability to make accurate and timely projections of financial performance.

25. Risks Related to Invasion of Ukraine. On February 24, 2022, the President of Russia, Vladimir Putin, announced a military invasion of Ukraine. In response, countries worldwide have imposed sanctions against Russia on certain businesses and individuals, including, but not limited to, those in the banking, import and export sectors. This invasion has led, is currently leading, and for an unknown period of time will continue to lead to disruptions in local, regional, national, and global markets and economies affected thereby. These disruptions caused by the invasion have included, and may continue to include political, social, and economic disruptions and uncertainties that may affect investments made by Archean. Archean will continue to monitor the situation as it develops.

26. Inflation. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on the economies and financial markets, which may in turn affect the markets in which an Affiliated Fund invests. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on an Affiliated Fund's returns.

### *Item 9. Disciplinary Information*

Registered investment advisers are required by the SEC to disclose any material facts regarding any legal or disciplinary events that may be considered material to a client's or prospective client's evaluation of Archean's advisory business or management. This section is inapplicable as there are no legal or disciplinary events relating to Archean.

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

The following is a list of the entities affiliated with Archean:

#### **A. Affiliations – Eozoic**

AMG Wealth Partners, a subsidiary of AMG, holds an equity interest in Eozoic by making an investment through Squam Acquisition LP, LLC. AMG Wealth Partners' equity interest in Eozoic is structured so that Eozoic maintains operational autonomy in managing its business. AMG does not have any role in the day-to-day management of Eozoic (or, as a result, Archean). AMG also holds equity interests in certain other investment advisers ("AMG Affiliates"). Each of the AMG Affiliates operates autonomously

and independently of AMG and of each other. Except as described in this Form ADV, Eozoic does not have any business dealings with these AMG Affiliates and does not conduct any joint operations with them. Eozoic (and Archean) carries out its asset management activity, including the exercise of investment discretion and voting rights independent of the AMG Affiliates. Except as described in this Form ADV, the AMG Affiliates do not formulate advice for Eozoic's or Archean's clients and do not, in Archean's view, present any potential conflict of interest with Archean's clients. Consequently, individual information on each AMG Affiliate is not listed in Section 7.A. of Schedule D of Part 1A of Form ADV, unless Archean has business dealings with certain AMG Affiliates. A list of all AMG Affiliates is available to Archean's clients upon request.

Pursuant to a services agreement between Pathstone and Eozoic, Pathstone supplies (via secondment of personnel arrangements or otherwise) key services involved in Archean's operations. A number of Archean's personnel also serve as personnel of Pathstone or related entities. Potential conflicts with Pathstone and its personnel are resolved in accordance with the Code of Ethics of Pathstone and Archean.

## **B. Affiliations – Moelis**

Moelis is the parent company for various alternative asset management firms with capabilities in private equity, direct lending, credit funds and structured products. The businesses of Moelis include Freeport Financial Partners LLC, a direct lending platform, P&S Credit Management, L.P., a multi-strategy credit manager, Moelis Capital Partners LLC, a private equity firm focused on middle market companies, Moelis Asset Catalyst Partners LLC, a private equity firm focused on seeding first time funds, and Steele Creek Investment Management, LLC a manager of collateralized loan obligations and other broadly syndicated loan products. Moelis was also the founding investor of College Avenue Loans LLC, a private student loan originator and is a joint venture partner in Crossbeam Venture Partners, a venture capital platform. Moelis is also affiliated with Moelis & Company LLC, a FINRA registered broker dealer (the "Moelis BD"). The Moelis BD is operated and managed separately from Moelis.

These other "Moelis" entities and businesses are operated separately from Archean, which is jointly managed by a team of Eozoic and Moelis personnel.

Like Pathstone, Moelis also supplies (via secondment of personnel arrangements or otherwise) key services involved in Archean's operations. A number of Archean's personnel also serve as personnel of Moelis or related entities. Moelis has implemented policies and procedures, including information barriers, and a Code of Ethics to handle information flow between its businesses and affiliates and any potential conflicts of interests.

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

### **Potential Conflicts of Interest**

The foregoing list of conflicts of interest does not purport to be a complete enumeration or explanation of the conflicts of interest involved in acquiring interests. Potential investors should read the entire Offering Documents of each Affiliated Fund and consult with their own advisors before making a determination whether to subscribe for an interest. No assurance can be given that profits will be achieved or that substantial losses will not be incurred.

1. Affiliated Investment Vehicles. The Affiliated Funds may purchase interests in investments alongside other affiliated investment vehicles and may enter into other transactions involving affiliated investment vehicles or other affiliates of Archean. These transactions will not be the result of arms' length negotiations and may involve conflicts between the Affiliated Funds' interests and the interests of other affiliates. Some of these transactions will be based on a valuation determined by Archean in accordance with each Affiliated Fund's valuation policy but not based on an arms' length determination of value. Others will be subject to approval by the applicable advisory committee. There can be no assurance that these transactions will be made on terms at least as favorable as those that would have obtained in an arms' length transaction.

2. Side Letters; Other Agreements; Other Classes or Series. Archean or the manager may enter into side letters or other similar agreements with a limited partner without the approval of the other limited partners, which may have the effect of establishing rights under, or altering or supplementing the terms of, the partnership agreement with respect to such limited partner in a manner more favorable to such limited partner than those applicable to other limited partners. Such rights or terms in any such side letter or other similar agreement may include (i) different notice periods, minimum investment amounts, or fees, (ii) the agreement of the General Partner to extend certain information rights or additional diligence, valuation or reporting rights to such limited partner, including to accommodate special regulatory or other circumstances of such limited partner, (iii) consent of the General Partner to certain transfers by such limited partner or other exercises by the General Partner of its discretionary authority under the partnership agreement in certain respects for the benefit of such limited partner, or (iv) other rights or terms in light of particular legal, regulatory, public policy or other characteristics of such investor. While any rights or terms so established in a side letter or other similar agreement with a limited partner will govern solely with respect to such

limited partner, the terms of any such side letter or agreement will not be disclosed to other limited partners, unless the General Partner in its discretion determines otherwise.

In general, neither an Affiliated Fund nor Archean will be required to notify any limited partner of the existence of any additional or different terms applicable to any other limited partner or group of limited partners, nor will the Affiliated Fund or the General Partner be required to offer such additional and/or different terms to any or all of the other limited partners. Such rights may be granted to any limited partner as determined by the Affiliated Fund and the General Partner in their discretion, and other limited partners will have no recourse against the Affiliated Fund, the General Partner and/or any of their affiliates as a result thereof.

Limited partners that hold certain classes or series of interests may have certain special rights with respect to co-investment opportunities in investments alongside an Affiliated Fund. In addition, the General Partner may in its discretion, from time to time, create and issue additional classes or series of interests for any reason, upon such terms and with such rights, preferences and privileges as the General Partner may determine and without the approval of the limited partners; provided that such creation and issuance does not adversely affect the rights of existing limited partners. Any class or series of interests may have terms that differ from the terms of any other class or series of interests, including, without limitation, voting rights, minimum commitment requirements, distribution policies, currency denominations, and management fees. The General Partner shall determine, in its sole discretion, a person's eligibility to subscribe for interests. The General Partner may, in its sole discretion, close any class or series of interests to new investment at any time.

If new classes of interests are created, then, to the extent determined by the General Partner, (i) debts, liabilities and obligations with respect to a particular class will be met from the assets of such class only and not from the assets of an Affiliated Fund generally or any other class, and (ii) none of the debts, liabilities, obligations or expenses with respect to the Affiliated Fund generally or any other class will be met from the assets of such class, except, in the case of each of clause (i) and (ii) as provided for by applicable law and the applicable partnership agreement. In the event that the assets of any class prove insufficient to meet the liabilities of such class, creditors of the Affiliated Fund may have the right to claim against the assets of the Affiliated Fund generally (including against the assets of other classes). In such circumstances, the General Partner will arrange for the liabilities to be met from the assets of such other classes as the General Partner determines is appropriate in good faith. If new classes of interests are created, then general expenses of the Affiliated Fund may be borne by each class pro rata based on commitments.

3. Potential Conflicts in Calculation and Allocation of Certain Fund Costs and Expenses. The Offering Documents of each Affiliated Fund provide that the manager will be responsible for all normal overhead expenses of managing the Affiliated Fund and the Affiliated Fund will be responsible for all other direct expenses of the Affiliated Fund. A conflict of interest could arise in the manager's determination of whether certain costs or expenses that are incurred in connection with the operation of the Affiliated Fund meet the definition of operating expenses for which the Affiliated Fund is responsible, or whether such expenses should be borne by Archean and the manager. The Affiliated Fund will be reliant on the determinations of the manager and the General Partner in this regard, and also in regard to the allocation of investment expenses and any common operating expenses as among the Affiliated Fund and parallel or feeder funds. The Affiliated Fund will generally bear all fees, costs and expenses relating to unconsummated transactions, including amounts that would otherwise have been borne directly or indirectly by potential co-investors, and the Affiliated Fund will be reliant on the determinations of Archean with respect to the determination of whether proposed and unconsummated investments would have been allocated to the Affiliated Fund and therefore are properly allocable in whole or in part to the Affiliated Fund. Additionally, to the extent that operating expenses are to be allocated to the Affiliated Fund and parallel or feeder funds, the manager will endeavor to allocate such expenses in a manner it believes to be fair and equitable, which may include an allocation among such vehicles based on their relative net asset value, capital commitments, number of investors, actual or proposed investment size in a particular transaction or the manager's determination of the benefit to be received from the activity for which the expense was incurred, subject to the partnership agreement.

4. Broad and Wide-Ranging Activities. Archean is a joint venture between Eozoic and Moelis and is therefore affiliated with Eozoic and Moelis. Archean and its affiliates engage in a broad spectrum of activities, including financial advisory services, research and sponsoring and managing public and private investment funds and accounts and other activities. In the ordinary course of its investment activities, Archean or its affiliates' (including, without limitation, a JV Partner's) activities or strategies, or the activities or strategies used for other accounts or funds managed by Archean or its affiliates, may conflict with the transactions and strategies employed on behalf of the Affiliated Fund and affect the prices and availability of the securities and instruments in which the Underlying Funds may invest. The General Partner's or the manager's trading activities are carried out generally without reference to positions held by the Affiliated Funds and may have an effect on the value of the positions so held or may result in Archean having an interest in the issuer adverse to that of the Affiliated Funds (e.g., the General Partner's or the manager's affiliate may have an investment in a security that is senior to the security held by an Underlying Fund). The General Partner's interest, the manager's interests or the interests of their/its clients may conflict with the interests of the

limited partners, notwithstanding the General Partner's or the manager's direct or indirect participation in the Underlying Funds.

Except as specifically set forth herein or in the partnership agreement, nothing precludes, restricts or in any way limits the activities of the General Partner or the manager, including each of its ability to buy or sell interests in, or provide financing to, funds or portfolio companies, for its own accounts or for the accounts of other investment funds, accounts or clients. By acquiring an interest, each limited partner will be deemed to have acknowledged the existence of actual and potential conflicts of interest and to have waived any claim with respect to the existence of any such conflict of interest or any claim with respect to an activity consistent with the policies of Archean relating to conflicts of interest. Conflicts of interest that arise between the Affiliated Funds or its Underlying Funds, on the one hand, and Archean, its affiliates, its JV Partners, any existing or future affiliated fund, accounts or Archean's clients, on the other hand, will be discussed and resolved on a case-by-case basis by senior management and representatives of Archean. Any such discussions will take into consideration the interests of the relevant parties and the circumstances giving rise to the conflict. The General Partner will have the power to resolve, or consent to the resolution of, conflicts of interest on behalf of, and such resolution will be binding on, the Affiliated Funds. Investors should be aware that conflicts will not necessarily be resolved in favor of the Affiliated Funds' investments.

In addition, pursuant to the relevant partnership agreement, an advisory committee will be established and authorized to give consent on behalf of the applicable Affiliated Fund, and the General Partner may in certain situations choose or be required to consult with or obtain the consent of the advisory committee with respect to any specific conflict of interest. If any matter arises that the General Partner determines in its good faith judgment constitutes (x) a material conflict of interest, the General Partner shall request the approval of the advisory committee for such matter and (y) any conflict of interest that is not material, the General Partner shall disclose such conflict to the advisory committee or the limited partners. If the advisory committee waives, or approves standards and procedures with regard to, any potential conflict of interest presented to the advisory committee and provided the General Partner acts in good faith in implementing such standards and procedures, then, to the fullest extent permitted by law, the General Partner and its affiliates will not have any liability to the Affiliated Fund or the limited partners for implementing such standards and procedures. The General Partner's liability with respect to conflicts of interest are detailed more fully in each Affiliated Fund's partnership agreement. Because of the wide range of services offered by Archean and its affiliates, it is possible that it has business relationships with Underlying Funds that are independent of an investment by the Affiliated Fund and, therefore, the General Partner may have a conflict of interest when allocating a portion of the Affiliated Fund's assets to an Underlying Fund.



5. Eozoic-related Conflicts of Interest. As previously described in the Brochure, Pathstone provides certain services and personnel to Archean on behalf of Eozoic under a shared services agreement. Pathstone or its related persons (e.g., employees) may recommend to clients that they buy or sell securities or investment products in which Pathstone or its related persons have some financial interest. Occasionally, certain of Pathstone's senior investment officers and senior research staff invest in certain affiliated funds, including the Affiliated Funds.

Pathstone has adopted a Code of Ethics and compliance policies setting forth the standard of ethical and professional business conduct that Pathstone requires of its employees, including compliance with all applicable federal securities laws and regulations and setting forth restrictions, internal procedures, and disclosures regarding personal securities transactions by employees designed to address any conflicts of interest in those transactions. Some highlights addressing these concerns are provided below:

- *Priority of Trading in Non-Affiliated and Affiliated Investment Funds:* Pathstone's clients have first priority for investing in both Non-Affiliated and Affiliated Funds before any Pathstone related persons are allowed to participate.

- *Policy Statement on Insider Trading:*

Pathstone precludes its related persons from purchasing or selling the marketable securities of companies in which Pathstone's clients are deemed "insiders" as defined in Pathstone's insider trading policy contained in its Code of Ethics. Furthermore, Pathstone prohibits its related persons from purchasing (or selling) securities in their personal accounts with prior knowledge of their clients' pending purchase (or sell) orders in the same securities. Additionally, Pathstone prohibits its related persons from purchasing the same securities for their personal accounts that they intend to subsequently purchase for one of their clients, believing that the client's purchases will cause the securities' prices to rise. Likewise, if Pathstone related persons are planning to sell certain securities for a client, they are prohibited from first selling any of the same security they hold in their personal accounts, believing that the client's sales will reduce the securities' prices.

- *Priority of Transactions Involving Marketable Securities of "Non-insider" Clients:* Pathstone precludes its related persons from purchasing or selling marketable securities unless the individual has received written clearance for all personal securities transactions prior to completing the transactions unless the transaction occurs in an exempted security, for which no pre-

clearance is required. Pathstone has adopted pre-clearance procedures set forth in its Code of Ethics.

- *Disclosures:* As part of Pathstone's Personal Transaction Policy, upon commencement of employment, all related persons are required to provide to Pathstone's chief compliance officer (i) initial reports (and annual holding reports thereafter) and (ii) quarterly summaries of security transactions for each account or a copy of brokerage statements listing the transaction detail.

6. Moelis-related Conflicts of Interest. Moelis will dedicate investment professionals to the General Partner and the manager, who will commit a significant amount of their time to the Affiliated Funds; however, such persons are also actively involved in the other investment activities of Moelis and its affiliates and will not be able to devote their full time and attention to the applicable Affiliated Fund's business and affairs. Such persons will however devote such portion of their time as they believe is necessary to effectively conduct the investment activities of the Affiliated Funds. Such persons may assume additional obligations unrelated to the Affiliated Funds and may resign or be removed from their positions at the manager at any time. There can be no assurance that any successor investment professionals will have the same level of experience as their respective predecessors. Some highlights addressing these concerns are provided below:

- *Allocation of Opportunities:* Moelis or its affiliates, and their respective clients may invest in securities that would be appropriate for investment by Underlying Managers. Such investments may be different from those made in respect of the Affiliated Funds. The principals and officers of Moelis and its affiliates, may also have ongoing relationships with, render services to or engage in transactions with other investment vehicles which have investment goals similar to those of the Affiliated Funds of the Underlying Funds. The principals and officers of Moelis and its affiliates, may give advice and recommend securities and other investments to their respective clients, family, and friends, which advice or securities may differ from the advice given to, or securities or other investments recommended or bought for, the Affiliated Funds or the Underlying Funds, even though their investment objectives may be the same or similar. The principals and officers of Moelis and its affiliates, may also have ongoing relationships with, render services to or engage in transactions with the borrowers on the loans originated and otherwise acquired by the Affiliated Funds and the issuers of the other securities acquired by the Affiliated Funds. Moelis and its affiliates' employees may also carry on investment activities for their own accounts and for family members and friends who do not invest in the Affiliated Funds and may give advice and recommend securities to other managed accounts



or investment funds which may differ from advice given to, or securities recommended for, the Affiliated Funds, even though their investment objective may be the same or similar. Further, additional regulation, policies and procedures of Moelis could adversely impact the manager or the Affiliated Funds.

As joint venture of Moelis, the Moelis investment personnel of the manager will be subject to certain restrictions and requirements, with respect to Moelis pursuant to applicable rules and regulations.

- *Other Relationships:* The Affiliated Funds may allocate capital to Underlying Managers that have relationships with Moelis or its affiliates. Such affiliates may take actions that are detrimental to the interests of the Affiliated Funds. In addition, there may be conflicts as a result of an advisory engagement undertaken by Moelis & Company, a global investment bank (together with its financial advisory affiliates, “Moelis Advisory”) which is under common control with Moelis, that provides financial advisory services to a broad client base; such a conflict could adversely impact the Affiliated Funds. For example, Moelis Advisory may act as financial advisor to a portfolio company being acquired by an Underlying Fund or as financial advisor to a buyer of a portfolio company being sold by an Underlying Fund. In addition, the Affiliated Funds may not invest in certain potential Underlying Managers who pursue certain investment strategies that may conflict with Moelis Advisory’s business activities, for example, shareholder activist strategies and control distressed debt investments. Moelis Advisory may engage in additional business activities, which may result in additional conflicts with the Affiliated Funds. In addition, the Moelis & Company Private Funds Advisory Group may provide fund raising services to funds in competition with the underlying investments of the Affiliated Funds.

Third party service providers and counterparties that provide services to, or engage in transactions with, Moelis, Moelis & Company and/or its affiliates and subsidiaries and funds advised by any of the foregoing may also provide services to, or engage in transactions with, the Affiliated Funds. In such cases, the manager may favor service providers and counterparties that provide such services to affiliates or to its principals or subsidiaries for attractive fees or other terms of service.

Additionally, certain affiliates of Moelis, including Moelis & Company, may possess information relating to fund investments which is not known to the individuals at the manager, and such affiliates will be under no obligation to make such information available to those responsible for monitoring the investments.

7. No Assurance of Ability to Participate in Investment Opportunities; Relationship with Archean; Non-Exclusivity. Archean and its affiliates hold interests in, and furnishes advisory, consulting and/or management services to, other persons or entities with respect to investments similar to or different from investments of the Affiliated Funds. Archean and its affiliates manage, on an independent and autonomous basis, several investment vehicles in which it is currently investing on behalf of third-party investors, Archean and/or eligible employees. In addition, Archean may form one or more other investment vehicles that may have the same, similar or different investment strategies (including other investment vehicles advised by Archean). The Affiliated Funds will not have any rights to investment opportunities in relation to the rights of such other investment vehicles. Archean may also furnish similar management, advisory and/or consulting services to certain separate accounts or make investments for its own account.

Archean may, from time to time, be presented with investment opportunities that fall within the investment objective of the Affiliated Funds. In such circumstances, there can be no assurance that the Affiliated Funds will have an opportunity to participate in such investments and Archean will be under no obligation to make such investments available, in whole or in part, to the Affiliated Funds. For example, Archean may make an investment for its own account or for the account of a client (or the account of any affiliate or any affiliated investment fund or account, including existing private equity funds managed or sponsored by Archean) and without participation by the Affiliated Funds, notwithstanding that the transaction is within the investment objective of the Affiliated Funds. In addition, Archean may elect to allocate such opportunities to or among the Affiliated Funds and/or Archean and affiliated investment funds or accounts on a basis that it determines is appropriate in its sole discretion, taking into account any considerations deemed relevant by Archean, including, without limitation, existing contractual obligations, portfolio diversification concerns, the specific nature of the investment, the source of the investment opportunity, the nature of the investment focus and the relative amounts of capital available for investment.

Investments may be made in Underlying Funds where, due to regulatory, commercial, or other reasons, the Affiliated Funds' receipt of rights may have potential detrimental effects on Archean (rather than the Affiliated Funds). Accordingly, it is not the intention of the Affiliated Funds to exercise any form of management control over the affairs of the Underlying Funds or to act as a director or officer of Underlying Funds. Prospective investors should understand that an express risk of investment in the Affiliated Funds is that, as a result of the regulatory, commercial and other considerations that may be inherent in the exercise of control, the Affiliated Funds may determine not to seek certain rights or may seek more limited rights than would otherwise be the case or may cause the Affiliated Funds to structure its investments in a manner designed to avoid such adverse effects on Archean. Where a potential adverse effect arises after the Affiliated Funds have made their respective investments (for example, where an

investment vehicle managed by an Underlying Fund is not initially but becomes subject to the restrictions of ERISA after the Affiliated Fund's investment), the Affiliated Fund may forego or waive its rights, or seek to dispose of its interest in the applicable Underlying Fund, in whole or in part, to avoid potential limitations on the ability of Archean to transact with such investment vehicle.

Furthermore, Underlying Funds may involve (directly or indirectly) new or follow-on investments in entities in which Archean or other funds sponsored or managed by Archean have made or will make investments or capital commitments, including funds managed by Underlying Managers or portfolio companies of funds managed by Underlying Managers. Such investments or capital commitments may have been or may be made at different prices and on different terms. No assurance can be given that the Affiliated Funds will realize identical economic results from an investment in a portfolio company, and as a result thereof the interest of Archean, the General Partner or other funds sponsored or managed by Archean and the interest of the Affiliated Funds in restructuring, exercising with respect to or realizing an investment may differ (particularly where the Affiliated Funds also hold an interest in the related Underlying Funds but the other Archean fund or account does not).

8. Pursuit of Other Business Activities and Provision of Services to Competitors. Archean has formed and manages and expects to form and manage other investment vehicles that, at the sole discretion of Archean, may participate in one or more investments in Underlying Funds. Moreover, Archean or its other investment vehicles may hold investments in entities that are engaged in similar businesses to those of the Affiliated Funds or the Affiliated Funds' investments. As a result, such other entities may compete with the Affiliated Funds for investment opportunities and may compete directly with the Affiliated Funds' investments in their investment management businesses. Archean and its affiliates will be able to pursue other business activities and provide services to third-parties that compete directly with the Affiliated Funds, including third-parties that sponsor or manage a private equity fund, hedge fund or other fund of funds that makes investments that are similar to the types of investments that the Affiliated Funds intends to make. In addition, Archean has established or advises, and may continue to establish or advise, other investment entities that rely on the diligence, skill and business contacts of Archean's investment professionals and the information and deal flow they generate during the normal course of their activities. The requirements of these entities may be substantial and may cause Archean to divert some of the resources and professionals that would otherwise be made available. Some of these entities may also have investment objectives that overlap with the Affiliated Funds' investment objectives and Archean and its affiliates may have greater financial incentives to assist those other entities over the Affiliated Funds. To the extent that Archean engages in activities for itself or others, those activities may be detrimental to the Affiliated Funds' business and adverse to the interests of its investors and may, in some cases, lead to the

allocation of investment opportunities to others. Due to the foregoing, the Affiliated Funds expects to compete from time to time with affiliates of Archean for access to the benefits that the Affiliated Funds expects to realize from Archean's involvement in the Affiliated Funds' business.

9. Advisory Clients. In the course of its business, the General Partner, the manager or each of its affiliates may represent parties with respect to businesses which may be suitable for investment by the Affiliated Funds. In such a case, the client may require the General Partner or the manager, as applicable, to act exclusively on its behalf, thereby precluding the Affiliated Funds from acquiring or investing in such business. Archean or each of its affiliates may have financial incentives to favor certain of such accounts over the Affiliated Funds. Any of their proprietary accounts and other customer accounts may compete with the Affiliated Funds for specific assets. Situations may occur when the Affiliated Funds could be disadvantaged because of the investment activities conducted by Archean for its other accounts. Archean will be under no obligation to decline such engagements in order to make the investment opportunity available to the Affiliated Funds. In connection with its advisory business, Archean may come into possession of information that limits the Affiliated Funds' abilities to engage in potential transactions. The Affiliated Funds' activities may be constrained as a result of restrictions on Archean's ability to use such information. It is possible that the Affiliated Funds could be precluded from investing in investment management companies or private equity funds about which Archean has material non-public information, although the Affiliated Funds intends to ensure that any material non-public information available to certain Archean employees not be shared with those employees responsible for the purchase and sale of publicly-traded investment management company or private equity fund securities (*i.e.*, employees of the General Partner). In certain sale assignments, the seller may permit the Affiliated Funds to act as a buyer or investor, which would raise certain conflicts of interest inherent in such a situation, including those involved in negotiating a purchase price. Archean and its affiliates has long-term relationships with a significant number of companies and their senior management. In addition, Archean advises, and may in the future advise, other investment vehicles that have investment objectives similar to or the same as those of the Affiliated Funds, which may be in a position to compete with the Affiliated Funds for an investment opportunity. In determining whether to pursue a particular transaction on behalf of the Affiliated Funds, these relationships will be considered by Archean, and there may be certain potential transactions which will not be pursued on behalf of the Affiliated Funds in view of such relationships. There can be no assurance that all potentially suitable investment opportunities which come to the attention of Archean will be made available to the Affiliated Funds.

In addition, the Affiliated Funds may co-invest with Archean or clients or potential clients of Archean in particular investment opportunities and participation by Archean

and/or its relationship with such clients could influence the decisions made by the General Partner and the manager with respect to such investments.

Services provided by Archean to Underlying Managers, Underlying Funds or other persons may be adverse to the interests of the Affiliated Funds. In particular, without limiting the generality of the foregoing, Archean may enforce security and other rights and remedies against funds operated by Underlying Managers or these Underlying Managers themselves which might have a significant adverse effect on the value of those Underlying Managers or their ability to continue to effect distributions to the Affiliated Funds.

10. Material, Non-Public Information/Insider Trading. Archean has implemented policies and procedures (the “MNPI Procedures”) that are reasonably designed to prevent the misuse by Archean and its personnel of material information regarding issuers of securities that has not been publicly disseminated, *i.e.*, material non-public information. The MNPI Procedures are designed to comply with the requirements of the Investment Advisers Act and other federal securities laws. In the ordinary course of operations, certain businesses within Archean may seek access to material non-public information. The MNPI Procedures address the process by which material non-public information may be acquired intentionally by Archean. The intentional acquisition of material non-public information may give rise to a potential conflict of interest since the manager may be prohibited from rendering investment advice to clients regarding the public securities of such issuer and thereby potentially limiting the universe of public securities that the manager may purchase or potentially limiting the ability of Archean to sell such securities. Similarly, where Archean declines access to (or otherwise does not receive) material non-public information regarding an issuer, the manager may base its investment decisions with respect to assets of such issuer solely on public information, thereby limiting the amount of information available to the manager in connection with such investment decisions. There can be no assurance that misuse of material non-public information will never take place.

In the event any material, non-public information is disclosed to any person responsible for the affairs of the Affiliated Funds, the Affiliated Funds may be prohibited by applicable securities laws and the MNPI Procedures from acting upon any such information. Due to these restrictions, the Affiliated Funds may not be able to initiate a transaction or sell a portfolio investment that they otherwise might have initiated (whether or not any member of the Investment Team is given access to the information). In other cases, because of confidential or material non-public information acquired by other business units of Archean, the Affiliated Fund may also be prohibited from acquiring an investment that they otherwise might have acquired.

11. Allocation of Personnel; Other Activities. Conflicts of interest may arise in allocating management time, services or functions, and the manager’s and the General Partner’s ability to access other professionals and resources within Archean for the

benefit of the Affiliated Funds as described in the Offering Documents may be limited. In addition, such access may be limited by the internal compliance policies of Archean or other legal or business considerations, including those constraints generally discussed herein.

12. Liquidity Strategies. Certain monetization or realization strategies may be available to the Affiliated Funds, each offering the General Partner, the limited partners and/or the manager differing fees and performance, both in connection with its liquidity strategy and with respect to operation of the Affiliated Funds subsequent thereto. These differences may motivate the General Partner to choose one exit strategy over another exit strategy. The potential to provide such services and the desire to continue providing such services may motivate the General Partner to choose one exit strategy over another exit strategy.

13. Other Funds. The General Partner may offer, on an agency basis for third parties, interests in other pooled investment vehicles or participation in accounts that may have as their primary investment objective investments that are substantially similar to the types of investments to be made by the Affiliated Funds and, in connection with any such offering, may receive customary compensation, including an interest in such fund. Such investment vehicles may also participate in Underlying Funds, which may create potential conflicts of interest.

14. Diverse Limited Partner Group. Various limited partners may have conflicting investment, tax, regulatory and other interests with respect to their investments in the Affiliated Funds. The conflicting interest of individual limited partners may relate to or arise from, among other things, the specific entities through which such limited partner invests, the nature of investments made by the Affiliated Funds, the structuring or the acquisition of investments, the timing of disposition of investments and liquidity strategies. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partner or the manager that may be more beneficial for one limited partner than for another, especially with respect to limited partners' individual tax situations. In selecting and structuring investments appropriate for the Affiliated Funds, the General Partner and the manager will consider the investment and tax objectives of the Affiliated Funds and the partners as a whole, and not the investment, tax or other objectives of any limited partner individually. Any such structuring may be restricted as a result of the General Partner's obligations to one or more the Affiliated Fund entities, including obligations under applicable law, including ERISA. Certain investors and other investors may, by virtue of the size of their investments or other considerations, negotiate special arrangements which may be more beneficial than those obtained by other investors in the Affiliated Funds.



15. Use of Feeder Funds and “Blocker” Entities. The use of feeder funds and related “blocker” entities in the Affiliated Fund’s structure also may create a conflict of interest in that different tax and other considerations for such entities may cause the Affiliated Fund to structure or dispose of investments in a manner that is more advantageous to one feeder fund and its investors than to any other feeder fund or its investors. Similar conflicts of interest may arise to the extent that (if permitted) the General Partner determines to use any such “blocker” entity (or other intermediary entity that may be interposed between the feeder funds and the Affiliated Fund) to facilitate a co-investment opportunity in connection with one or more Underlying Funds. Archean or its related persons (e.g., employees and individuals seconded to Archean from Pathstone or Moelis) may recommend to clients that they buy or sell securities or investment products in which Archean, or its related persons have some direct or indirect financial interest. Further, certain related persons may invest in Affiliated Funds or Underlying Funds.

Pursuant to SEC rule 204A-1, Archean has adopted a Code of Ethics and compliance policies setting forth the standard of ethical and professional business conduct that Archean requires of its employees, including compliance with all applicable federal securities laws and regulations and setting forth restrictions, internal procedures and disclosures regarding personal securities transactions by employees designed to address any conflicts of interest in those transactions. Certain processes under this Code of Ethics may be delegated to the compliance personnel of Pathstone and Moelis.

As part of Archean’s Personal Transaction Policy, all related persons are required to provide to Archean’s CCO (i) initial reports (and annual holding reports thereafter) and (ii) quarterly summaries of security transactions for each account or a copy of brokerage statements listing the transaction detail. This information will be provided to the compliance personnel of Pathstone and Moelis, as delegates of Archean’s CCO. A copy of Archean’s Code of Ethics is available to clients and prospective clients free of charge by contacting Charles Keates, Archean’s CCO, at 610-640-9551.

## *Item 12. Brokerage Practices*

### **Best Execution**

To the extent ever applicable Archean will seek to execute trades through a broker or dealer offering the best execution. Best execution does not necessarily mean the lowest broker commission rates. The following factors, among others, are considered when Archean evaluates its brokerage arrangements and total execution quality of client trades: competitiveness of price spreads; minimal market impact; timeliness of execution and reporting; liquidity of the securities traded; frequency and correction of trading errors; business reputation of broker/dealer; back office and trade settlement capabilities; responsiveness to Archean’s orders; and overall responsiveness to Archean’s needs.

Archean may select a broker that charges a commission in excess of that which another broker might have charged for effecting the same transaction.

Archean does not engage in soft-dollar arrangements.

### *Item 13. Review of Accounts*

Members of Archean's Investment and Management Committees (as well as other members of the Archean research and operations groups) are responsible for overseeing the initial investment and operational due diligence, the onboarding of new Underlying Managers and the continual monitoring of the Underlying Managers and Underlying Funds' investments, internal operations, and support of each Affiliated Fund.

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

Archean has compensated unaffiliated or affiliated solicitors (i.e., an independent third party, non-employee) to solicit clients on behalf of Archean in the past. Archean does not anticipate such arrangements in the future.

### *Item 15. Custody*

Archean does not expect to have actual physical custody of client assets or securities and does not act as the custodian for client assets. Nevertheless, due to certain activities of Archean or the General Partners of the Affiliated Funds it may be deemed, under the federal securities laws, to have custody of client assets.

Archean internally prepares (or has prepared) each Affiliated Fund's financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") and ensures that each Affiliated Fund is audited at least annually by an independent public accountant that is registered with, and subject to regular inspection as of the commencement of the professional engagement period, and as of each calendar year-end, by, the Public Company Accounting Oversight Board in accordance with its rules. Archean makes those audited financial statements available to all investors in the Affiliated Funds within 180 days of the end of the Affiliated Funds' fiscal year. Upon liquidation of an Affiliated Fund, Archean will distribute its audited financial statements prepared in accordance with GAAP to all investors in the Affiliated Fund promptly after the completion of such audit. Archean urges its clients to carefully review the annual audited financial statements.



### *Item 16. Investment Discretion*

Pursuant to an executed IMA, advisory Affiliated Funds appoint Archean to act as discretionary adviser with full discretion over investment decisions related to an advisory client's Regulatory AUM (subject to any agreed upon client guidelines or restrictions). Archean therefore has the discretionary authority to decide which securities to purchase and sell for a client and the amount of each transaction, and how much to invest in individual Underlying Funds.

### *Item 17. Voting Client Securities*

Archean does not vote proxies for our clients, and any proxy notices we receive are handled by the Affiliated Fund's General Partner.

### *Item 18. Financial Information*

Registered investment advisers are required by the SEC to comment on certain financial information or disclosures regarding Archean's financial condition. Archean is not aware of any financial condition that would impair its ability to meet its contractual or fiduciary commitments to clients, nor has Archean been the subject of a bankruptcy proceeding.