



## **Part 2A of Form ADV: Brigham Management, LLC – *Brochure***

### **Item 1**

#### **Cover Page**

March 28, 2024

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Brigham Management, LLC ("Brigham", or the "Firm") is a federally registered investment adviser with the U.S. Securities and Exchange Commission ("SEC"). Being registered as an investment adviser does not imply a certain level of skill or training.

This Form ADV Part 2A (the "Brochure") provides information about the qualifications and business practices of Brigham Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (512) 871-1001. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

## **Item 2**

### **Material Changes**

This Brochure, dated March 28, 2024, is our disclosure document and amendment to our most recently filed Brochure, which was an annual Form ADV filed on March 31, 2023. This annual amendment updates the following.

- Updated the Funds and Regulatory Assets Under Management in Item 4

In this Item, the Firm will periodically identify and discuss material updates to the Brochure. This is intended to inform current and prospective investors of important developments that may take place with respect to the Firm's business practices.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

### **Item 3**

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## **Item 4**

### **Advisory Business**

Brigham is a Texas limited liability company and has its principal place of business in Austin, Texas. Brigham provides discretionary investment advisory services to privately offered pooled investment vehicles, BEXP I, LP, BEXP II, LP, BEXP II (QP), LP, BEXP II (Parallel), LP, and Austin 512, LP (the “Funds” or the “Partnerships”), exempt from registration under the Investment Company Act of 1940, as amended. Brigham was formed in 2018. Brigham’s principal owner is Ben “Bud” Brigham (the “Principal”).

Brigham pursues its investment strategy through managing the Funds. Brigham has discretion with respect to investment decisions made for the Funds. Brigham provides investment advisory services to the Funds based on the investment objectives and strategies described in the Funds’ confidential offering memorandum and governing documents (referred to collectively as “Offering Documents”). Investment advice and management is provided directly to the Funds and not individually to limited partners or Investors in the Funds (“Limited Partners” or the “Investors”). Brigham provides advisory services to the Funds by investing equity to acquire non-operating working interests in oil and gas reserves in the continental United States.

Brigham’s clients are the Funds. Brigham will follow the investment strategy described in the Funds’ Offering Documents.

Brigham will not participate in wrap fee programs.

As of December 31, 2023, Brigham manages on a discretionary basis \$701,540,000 in regulatory assets under management on behalf of the Funds.

## Item 5

### Fees and Compensation

The fees and expenses associated with investments in the Funds are to be described in detail in the Funds' Offering Documents. Brigham acts as investment adviser to the Funds, all of which are Delaware limited partnerships. Affiliates of Brigham act as the general partners to the Funds.

Brigham may, in its sole discretion, manage other funds or accounts with higher or lower fees, different fee structures and different expense payment arrangements than the Funds. Further, the General Partners, in their sole discretion, may agree with a Limited Partner to waive or modify the application provisions of the Funds' Offering Documents, including the fees charged, with respect to such Limited Partner, without obtaining the consent of any other Limited Partner.

Set forth below is a description of the Funds' fees and expenses.

*Management Fee.* With respect to the Funds, Brigham does not currently collect a management fee from the Funds.

*Carried Interest.* With respect to the Funds, net proceeds from the disposition of the Funds' investments, together with any distributions or interest earned on such investment, are distributed to each participating Investor in accordance with the Funds' Offering Documents. Once certain hurdles are achieved, affiliates, employees, and other persons that help manage the Funds are entitled to receive a portion of distributions ("Carried Interest"). Broadly speaking, as the Funds' realized return achieves certain IRR and ROI metrics over time, the Carried Interest participants receive an increasing share of the Funds' future cash flows.

*Directors' Fees, Advisory Fees and Ancillary Fees.* With respect to the Funds, Brigham does not currently collect any of the aforementioned fees. All such expenses are borne by the respective Fund as incurred. To date, the Funds have not paid any fees and do not expect to in the future.

*General & Administrative Expenses ("G&A").* On behalf of Brigham, the Funds will generally pay their own ordinary administrative and overhead expenses, including office space, office supplies, equipment, compensation, and benefits for employees. Aggregate Fund G&A budgets and their allocation between Funds are presented annually for approval to the Funds' respective Limited Partnership Advisory Committee, in accordance with the Funds' Offering Documents. Shared service G&A, such as employee compensation, is allocated to each Fund based on total capital commitments.

*Other Fund Expenses.* The Funds will generally pay, or will reimburse Brigham for, other expenses of the Funds, as set forth in applicable Offering Documents.

## **Item 6**

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

As stated in Item 5 above, Brigham or individuals who have been granted incentive compensation are entitled to receive Carried Interest, to the extent earned, from the Funds. 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.

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.

## **Item 7**

### **Types of Clients**

Brigham provides investment advisory services to the Funds based on the investment objectives and strategies described in the Funds' Offering Documents. Brigham, in its sole discretion, may manage other funds or accounts with different objectives, higher or lower fees and different fee structures than the Funds.

Investors in the Funds have been or will be required to complete and submit a subscription agreement binding them to the terms of the Funds' Offering Documents. Brigham 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 Investment Advisers Act of 1940, as amended. The minimum investment in the Funds is \$100,000.00, although the General Partners may accept investments in a lesser amount at their sole discretion.

## Item 8

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

The Funds are organized for the purposes of (a) engaging directly through their subsidiaries, in the Oil and Gas Business (the “Business”) in the continental United States and (b) engaging, directly or through their subsidiaries, in any other business activity that now or hereafter may be necessary, incidental, proper, advisable or convenient in furtherance of or otherwise relating to the forgoing purpose, as determined by the General Partners.

#### Operational and Partnership Risks

**The Partnerships have a limited operating history, and the General Partners, the Partnerships and their affiliates are involved in other ventures.**

The Partnerships are a new entity with a limited operating history. The Partnerships are subject to the risks involved with any speculative new venture. The Partnerships may not be able to operate profitably. Ben Brigham, the manager of the General Partners, acts as manager of one or more other limited liability companies and he or his Affiliates (as defined in the Funds’ Partnership Agreements, hereafter “Partnership Agreements”) may act as managers to additional limited liability companies currently and in the future. Affiliates of the General Partners may be exposed to financial liabilities from their other activities. The ability of the General Partners to satisfy the obligations required of a general partner could be negatively impacted by such exposure.

**Long-term commitment required.**

A capital commitment (a “Commitment”) to the Partnerships is a long-term investment. The expected term of the Partnerships is ten (10) years after the initial closing date of the Partnerships, with up to two (2) one-year extensions at the discretion of the General Partners. Although the Partnerships expect to make distributions prior to their termination, there can be no assurance as to the amount or timing of any such distributions. Because of the lack of a public market for interests in the Partnerships and restrictions on transfer of Units, Limited Partners should be willing to hold their Units until the liquidation of the Partnerships, without an expectation of distributions for a period of years.

**An investor could lose his or her entire investment in a Funds’ units (“Units”).**

The Partnerships’ goals are speculative, the oil and gas market on which the Business are dependent is volatile and competitive, and there is no assurance that the Partnerships will be able to meet any of their goals. If an investor subscribes for and purchases any Units, the investor may not earn a substantial return on his or her investment in the Units and may, in fact, lose his or her entire investment.

**The Limited Partners will have no control over the Partnerships’ affairs.**

All decisions regarding the management of the Partnerships’ affairs will be made exclusively by



the General Partners in accordance with the Funds' Offering Documents. The Limited Partners will have no control over the day-to-day management of the Partnerships' affairs, other than as outlined in the Offering Documents. Accordingly, investors should not subscribe for the Units unless they are willing to entrust all aspects of management of the Partnerships to the General Partners or their successor(s). Investors should carefully evaluate the experience of the General Partners and their Affiliates. The General Partners may appoint officers or retain independent contractors to provide various services to the Partnerships, over which the Limited Partners will have no control.

**Restrictions on transfer and withdrawal.**

Except in certain very limited circumstances, Limited Partners will not be permitted to transfer or withdraw their Units without the prior written consent of the General Partners, which may be granted or withheld in their sole discretion. There will be no public market for the Units.

**The Partnerships may be unable to meet their goals if the General Partners or any of their Affiliates loses the services of their respective principals.**

The ability of the General Partners or any of their Affiliates to discharge their duties to the Partnerships is dependent on the services of key employees and managers. The loss of the services of one or more of the principals of the Partnerships or any of their Affiliates could have a significant adverse effect on the Partnerships.

**The General Partners and their Affiliates may be compensated even if the Partnerships are not profitable.**

The General Partners and their Affiliates are entitled to receive certain payments related to the management of the Partnerships, and certain services that may be provided to the Partnerships, regardless of whether the Partnerships are profitable.

**The Partnerships' income may not exceed their expenses.**

The expenses of operating the Partnerships may exceed their income, thereby requiring that the difference be paid out of the Partnerships' capital, reducing the amount available to the Partnerships for investment and therefore their potential for profitability. Moreover, an investor is required to report and pay taxes on their allocable share of income from the Partnerships, even if no cash is distributed by the Partnerships.

**There are potential conflicts of interest between the Partnerships and the General Partners and their Affiliates.**

Conflicts of interest between the Partnerships and the various roles, activities, and duties of the General Partners and their Affiliates may occur from time to time. Limitations on conflicts of interests and related party transactions are disclosed in the Offering Documents. The General Partners and their Affiliates may have conflicts of interest in allocating management time, services, and functions between the Partnerships and other current and future activities.

The General Partners or their Affiliates are involved in the management of other entities, ventures and businesses, and may hold rights to profits or other interests in such entities that

could create conflicts of interest between the Partnerships and the separate interest of the General Partners and their Affiliates with respect to distributions made to the Partnerships.

**The Partnerships or any Subsidiary may be unable to service debt it incurs.**

The Partnerships, or any Subsidiary, may seek to borrow funds from external debt providers. This use of leverage may increase the return on invested capital. However, it also presents an additional element of risk in the event that the cash receipts of the Partnerships or the applicable Subsidiary are insufficient to meet the principal and interest payments on such indebtedness. Loan payments have priority over distribution to the Limited Partners, including loan payments to the General Partners or Limited Partners. If the Partnerships' cash flow is insufficient to service the debt it incurs, the Partnerships' equity in any Subsidiary may be reduced or eliminated through foreclosure. Moreover, the cost of borrowing, in the form of interest charges and financing fees imposed by lenders, might significantly reduce the distributions available to the Limited Partners or otherwise increase losses and costs incurred by the Partnerships.

**The General Partners could deplete the Partnerships' assets.**

The Partnership Agreement indemnifies the General Partners and certain other Covered Persons from their errors of judgment and other acts or omissions, so long as they acted in good faith and in a manner that the Covered Person believed to be in or not opposed to the best interest of the Partnerships. A successful claim for indemnification by a Covered Person would deplete the Partnerships' assets by the amount paid.

**Protection of confidentiality by Limited Partners.**

Limited Partners will generally be required to keep confidential all information relating to the Partnerships (including their investors and investments) and their investment results and expectations thereof. To protect the sensitive nature of this information, the General Partners, in their discretion, may generally make all or certain confidential information unavailable to all or certain Limited Partners, in some cases based on the status of those Limited Partners.

**Risks of co-investments.**

The Partnerships may make investments in oil and gas assets in which other parties may co-invest. Any such transactions may involve conflicts of interest among the Partnerships, the General Partners, Brigham, and the Limited Partners, some or all of which may not be thought of or taken into account in reviewing and approving such transactions. In such an event, the Partnerships may not be in a position to control unilaterally such oil and gas assets or exercise certain rights associated with oil and gas assets. In addition, if a co-investing party removes its general partner or manager, or terminates prior to the Partnerships' dissolution, then the ability of the Partnerships to exercise certain rights associated with their oil and gas assets may require the cooperation of a successor manager or other persons. Such investments may involve risks in connection with such third-party involvement, including the possibility that any such third party may have financial, legal, or regulatory difficulties that have a material adverse effect on such investment, may have economic or business interests or goals that are inconsistent with those of the Partnerships, may pursue interests inconsistent with those of the Partnerships, may default on their obligations, or may be in a position to take (or block) action in a manner contrary to the

relevant investor's investment objective. In addition, an investor may in certain circumstances be liable for the actions of its co-investors. Such investments may involve performance charges, incentive compensation arrangements, or other fees payable to such third parties. Furthermore, if the Partnerships and co-investors have the ability to dispose of their interests in the co-investment separately, a disposition of a large position by a co-investor may depress the market value of the continuing investment of the Partnerships or may reduce the price available to the Partnerships, which may also be disposing of their investment. As of December 31, 2022, the Partnerships have acquired no oil and gas assets with a co-investment.

## **Industry Risks**

### **Lack of industry diversification and adverse developments in the Partnerships' target market could adversely impact their ability to make distributions to the Limited Partners.**

Because the Partnerships' investments are concentrated within a particular industry or related group of industries (the upstream oil and gas sector), an investment in the Partnerships may be subject to greater market fluctuations than an investment in a portfolio of securities representing a broader range of industries. The aggregate return on a Limited Partner's investment in Partnerships may be substantially adversely affected by the unfavorable performance of even a single investment.

### **Lack of geographic diversification and adverse developments in the Partnerships' target market could adversely impact their ability to make distributions to the Limited Partners.**

If the Partnerships acquire properties concentrated in any particular basin or geographic area, this concentration could disproportionately expose the Partnerships' interests to operational and regulatory risk in that area, and adverse developments in the oil and gas market or the area of the properties, including, for example, transportation or treatment capacity constraints, curtailment of production or treatment plant closures for scheduled maintenance, could have a significantly greater impact on the revenues than if the properties were more diversified.

### **Competition in the oil and gas industry is intense, and some of the Partnerships' competitors have greater financial, technological and other resources than the Partnerships.**

The oil and gas industry is highly competitive in all of its phases. The oil and gas industry is also characterized by rapid and significant technological advancements. The Partnerships will face intense competition from other private equity and industry joint ventures, as well as both major and independent oil and gas companies in each of the following areas:

- seeking to acquire desirable properties;
- integrating new technologies; and
- hiring qualified people.

### **Numerous uncertainties are inherent in estimating quantities of oil and natural gas reserves.**

The process of estimating oil and natural gas reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, engineering, and economic data for each reservoir, and these reports rely on various assumptions, including assumptions regarding

future oil and gas prices, production levels, and operating and development costs. As a result, estimated quantities of proved reserves, projections of future production rates, and the timing of development expenditures may prove to be inaccurate. Over time, the Partnerships may make material changes to reserve estimates taking into account the results of actual drilling and production. Any significant variance of actual results from the Partnerships' assumptions could greatly affect the Partnerships' estimates of reserves, the economically recoverable quantities of oil and gas attributable to any particular group of properties, the classifications of reserves based on risk of recovery, and estimates of future net cash flows.

**Certain of equipment or personnel may be unavailable to the Partnerships.**

The energy industry is cyclical and, from time to time, there is a shortage of drilling rigs, equipment, supplies, or qualified personnel. During these periods, the costs and delivery times of rigs, equipment and supplies are substantially greater. In addition, demand for, and wage rates of, qualified drilling rig crews rise with increases in the number of active rigs in service. If the unavailability or high cost of drilling rigs, equipment, supplies, or qualified personnel were particularly severe operations could be materially and adversely affected, and so too could returns to the Partnerships.

**The net proceeds payable to the Partnerships will be derived from the sale of depleting assets.**

The reduction in reserve quantities is a common measure of depletion. Future maintenance and development projects with respect to a property will affect the quantity of reserves and can offset the reduction in reserves. The timing and size of these projects will often depend on the market prices of crude oil, natural gas, and other hydrocarbons. If the operator developing a property does not implement additional maintenance and development projects, the future rate of production decline of reserves of such a property may be higher than the rate currently expected.

**The Partnerships' results of operations will in part depend upon the prices received for their hydrocarbons.**

Prices for oil and gas are subject to large fluctuations in response due to relatively minor changes in the supply of and demand for oil and gas, market uncertainty, and a variety of additional factors beyond the control of the Partnerships. To the extent that the Partnerships do not hedge production from the properties, any decline in oil and gas prices will adversely affect the Partnerships' financial condition. The Partnerships' revenue, profitability and future rate of growth are substantially dependent upon prevailing prices for oil and gas, which are dependent upon numerous factors beyond the control of the Partnerships, including but not limited to:

- the domestic and foreign supply of oil and gas;
- the actions of members of the Organization of Petroleum Exporting Countries;
- the level of demand for oil and gas;
- the availability, proximity, and capacity of transportation facilities with respect to the Partnerships' production;
- the price and availability of alternative fuels;

- the value of the U.S. dollar relative to the currencies of other countries;
- technological advances affecting energy consumption;
- the effect of worldwide energy conservation measures;
- weather conditions;
- political conditions in oil and gas producing regions;
- acts of war and other conflicts in oil and gas producing regions;
- the price and quantity of foreign imports;
- overall domestic and global economic conditions; and
- domestic and foreign governmental regulations and taxes.

The volatile nature of the energy markets and the unpredictability of actions of major oil and gas producing countries make it particularly difficult to estimate future prices of oil and gas. Oil and gas markets are seasonal and cyclical. Oil and gas prices are subject to wide fluctuations in response to relatively minor changes in circumstances, and there can be no assurance that future prolonged decreases in such prices will not occur. Any significant prolonged decline in oil and gas prices generally could have a material adverse effect on the Partnerships' financial condition and level of operations and expenditures for the development of the Partnerships' oil and gas reserves. If the Partnerships' assets are concentrated in reserves of only oil or gas, rather than both oil and gas, the Partnerships are likely to be affected more by fluctuations in prices of each such commodity than by fluctuations in oil and gas prices as a whole.

Declines in oil and natural gas prices may materially adversely affect the Partnerships' financial condition, liquidity, and ability to finance planned capital expenditures and results of operations and may reduce the amount of oil and natural gas that the Partnerships can produce economically. To the extent fluctuations in oil prices and gas prices do not correspond, the Partnerships' asset allocation between oil-producing assets and gas-producing assets could also materially adversely affect the Partnerships' financial condition and liquidity.

Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and divestiture and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on development projects. To the extent that the Partnerships do not hedge production from the properties, any decline in oil and gas prices will adversely affect the Partnerships' financial condition. If the oil and gas industry experiences significant price declines, the Partnerships may, among other things, be unable to meet their financial obligations.

**Terrorism and continued hostilities in the Middle East could decrease the Partnerships' cash flow.**

Terrorist attacks and the threat of terrorist attacks, whether domestic or foreign, as well as the military or other actions taken in response, cause instability in the global financial and energy market. Terrorism, continued hostilities in the Middle East, and other sustained military campaigns could adversely affect the results of operations and cash flows of the Partnerships in

unpredictable ways, including through the disruption of fuel supplies and markets, increased volatility in oil and natural gas prices, or the possibility that the infrastructure on which the operators developing the Partnerships' investments rely could be a direct target or an indirect casualty of an act of terror.

### **Private Offering and Liquidity Risks**

#### **There will be restrictions on the right to transfer the Units.**

To subscribe for the Units, investors must represent that they are acquiring the Units for investment and not with a view to distribution or resale, and that the investors understand the Units are not freely transferable. The Units can be transferred only if they are subsequently registered, or if an exemption from such registration is available and upon the Partnerships' request, the transferee provides the Partnerships with a satisfactory legal opinion stating that the proposed transfer complies with the relevant exemption. The transferee will be required to pay all legal costs and expenses incurred by the Partnerships in connection with such a transfer. There is no public or other trading market for the Units, and it is highly unlikely that any market for the Units will develop. Thus, an investor may not be able to liquidate its investment in case of an emergency. The transfer of Units requires the prior written consent of the applicable General Partner. There is no guarantee that the General Partner will consent to any such transfer.

#### **Investors may not have the protection afforded by federal and applicable state securities laws.**

This Offering will not be registered with the SEC under the Securities Act or with the securities agency of any state. The Units are being offered in reliance on an exemption from the registration provisions of the Securities Act and applicable state securities laws applicable to offers and sales to investors meeting the investor suitability requirements. If the Partnerships should fail to comply with the requirements of such exemption, investors may have the right to rescind their subscription for the Units. This might also occur under the applicable state securities or "Blue Sky" laws and regulations in states where the Units will be offered without registration or qualification pursuant to a private offering or other exemption. If a number of Limited Partners were successful in seeking rescission, the Partnerships would face severe financial demands that would adversely affect the Partnerships as a whole and, thus, the investment in the Units by the remaining Limited Partners.

#### **There will be no lead underwriter or dealer manager to conduct an independent review of the terms and conditions of the Offering.**

A "lead underwriter" or a "dealer manager" that is independent of the issuer often participates in the preparation of a private offering to ensure that the information contained in the documents relating to the offering is accurate and complete. In this Offering there is no lead underwriter or dealer manager. Investors will not, therefore, benefit from an independent review of the Offering and must rely on the Partnerships and the General Partners to provide them with accurate and complete information.

**The Partnerships can provide no assurances as to the future financial performance of the Business, the Partnerships, or the Units.**

Any projected results of operations are forward-looking statements involving significant risks and uncertainty, should be considered speculative, and are qualified in their entirety by the assumptions, information, and risks disclosed in the Offering Documents. Statements that constitute “forward-looking statements” can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “intend,” “continue,” or “believe” or the negatives thereof or other variations thereon. The future performance of the Business, the Partnerships, and the Units depends on a complex series of events that are beyond the Partnerships’ control and that may or may not happen. Actual results for any period may or may not approximate projections or other forward-looking statements and may differ significantly from such projections or other forward-looking statements. Any projections are prepared by the General Partners and have not been examined, compiled or reviewed in any manner by an independent public accountant. The projections are not a forecast. Each investor should consult with his or her tax and business advisors about the validity and reasonableness of the factual, accounting, and tax assumptions. Neither the Partnerships nor any other person or entity makes any representation or warranty as to the future profitability of the Partnerships, or to the ultimate success of an investment in the Units.

**The Limited Partners will not be represented by the General Partners’ or the Partnerships’ legal counsel.**

Counsel to the Partnerships and counsel to the General Partners do not represent the Limited Partners in any respect. Prospective investors should consult with their own legal counsel when deciding whether to subscribe for the Units.

**The Partnerships may be unable to make any distributions to the Partners.**

Although the Partnerships intend to make distributions to the Partners in general or to pay the Partners’ tax obligations arising from the ownership of Units, there is no assurance that funds will be available for any such distributions. There is no assurance that the operations of the Partnerships will be successful and profitable or that there will be net cash flow available for distributions to the Partners. The Funds will continue to pay G&A regardless of whether any sums are distributed to the Partners. In addition, the General Partners will have the discretion to not make tax distributions. The Partners may not receive distributions prior to the time that the Partners are required to pay taxes in connection with their ownership of the Units, or at any time.

**If the Partnerships are dissolved, acquired, or terminated, the proceeds may not be available to the Partners.**

In the event that the Partnerships are dissolved, acquired, or terminated, the proceeds of such dissolution, acquisition, or termination will be distributed to the Partners only after the claims of the Partnerships’ creditors have been satisfied. These creditors may include one or more of the General Partners’ Affiliates. If there are insufficient funds for the satisfaction of the Partnerships’ creditors, the Partners may lose all or part of their investment in the Units.

**The Limited Partners may have to return certain distributions.**

The General Partners may, for a period of time, restore a portion of the Limited Partner's unfunded capital commitment as outlined in the Offering Documents.

**The Partnerships could lose their status as a limited partnership.**

One of the advantages of a limited partnership is the limitation of a limited partner's liability for the obligations of the Partnerships to that limited partner's capital contributions, plus any amounts required to be withheld for income taxes. In order to maintain the limited liability of the Limited Partners, the Partnerships must comply with the requirements of the Delaware Revised Uniform Limited Partnership Act. The Partnerships will operate in such a manner as the General Partner, in consultation with legal counsel, deems appropriate to preserve, to the extent possible, the limited liability of the Limited Partners. There is a risk, however, that the Partnerships could act, or fail to act, in such a way as to jeopardize the limited liability of the Limited Partners. In addition, claims could be asserted against one or more of the Limited Partners on an individual basis. As a result, the Limited Partners could be liable to creditors of the Partnerships or other claimants for amounts in excess of the Limited Partners' Capital Contributions.

**The Partnerships may be dissolved at any time.**

The General Partners do not intend to dissolve the Partnerships except as such dissolution is consistent with the investment objectives of the Partnership. The General Partners have the right, however, to dissolve the Partnerships at any time. There can be no assurance that the Partnerships will not be dissolved at a time when dissolution would be adverse to the best interest of any given Partner, either from a financial or tax standpoint.

**Tax Risks**

There are risks involving taxes in connection with an investment in the Units. Except where noted, this Memorandum does not discuss the consequences and risks of any applicable state, local, or foreign tax laws. For advice on such tax laws applicable to an investor's tax situation, an investor should seek the advice of his or her tax advisor. **No representation or warranty of any kind is made with respect to the acceptance by the Internal Revenue Service (the "IRS") of the treatment of any item by the Partnerships. No opinion has been requested from tax counsel, and none is provided, on the classification of the Partnerships as a partnership or on any other tax matters.**

**The Partnerships may be treated as a corporation by the Internal Revenue Service.**

The federal income tax treatment contemplated for the Partnerships and the Partners will be available only if the Partnerships are classified as a "partnership" for federal income tax purposes and not as an "association" taxable as a corporation. If it were determined that the Partnerships are taxable as a corporation rather than as a partnership, the changes in the tax consequences to a Partner would be significant and adverse.



**All losses may be treated as passive activity losses or otherwise limited.**

Any Partnerships losses may be treated as losses generated in a passive activity. Losses from passive activities generally may only be deducted against income from the same or other passive activities. For Partners other than corporations in taxable years beginning before January 1, 2026, an “excess business loss” limitation further limits the deductibility of losses by such Partner.

**There may be insufficient funds for tax distributions.**

Each Partner will be required to pay federal and state income taxes at his or her individual rate on his or her allocable share of the Partnerships’ taxable income. No assurance can be given that cash will be available for distribution or will be distributed at any specific time. Accordingly, there is a risk that the Partners will incur tax liabilities resulting from an investment in the Partnerships without receiving cash from the Partnerships in an amount sufficient to pay for any part of that liability.

**Cash distributions will result in taxable gain to the Partners.**

Cash distributions by the Partnerships to a Partner will result in taxable gain to the Partner to the extent those distributions exceed the Partner’s basis for his or her Units. Initially, a Partner’s basis for his or her Units will be the amount of his or her cash contributions to the Partnerships increased by the portion of any Partnerships indebtedness for which that Partner may bear the burden of economic loss and that Partner’s share of Partnerships indebtedness for which no Partner bears the risk of loss.

**The Partnerships may be audited by the IRS.**

The IRS has announced, and for several years has implemented, a policy that attempts to locate and select for audit the information returns of partnerships having tax loss benefits. Although the General Partners do not believe that the Partnerships are the type that would be subject to such greater IRS scrutiny, the federal income tax information return of the Partnerships will still be subject to audit. If the Partnerships’ information return is audited, such audit may cause corresponding adjustments to, and may increase the probability of an audit of, a Partner’s federal income tax return.

**The Partnerships’ tax returns will be prepared by, and subject to the judgment of, the General Partners.**

The determination of the correct amount of certain deductions, the availability and timing of such deductions to the Partnerships, the availability and timing to the Partnerships of such deductions, and the amount and character of certain items of a Partnership’s income will depend on factual determinations to be made by the General Partners. Counsel has specifically declined to give an opinion on such matters. Although the General Partners will exercise their best judgment regarding the facts when preparing the Partnerships’ information return, the IRS may assert that the General Partners’ judgment of the facts is not correct, which could result in the disallowance or deferral of deductions in whole or part or the recharacterization of certain types of income. Such adjustments could result in the assessment of additional tax liability to the Partners.

**There may be state, local, and foreign tax consequences to investing in the Units.**

Prospective investors should consider the state, local, and foreign tax consequences of an investment in the Units. Prospective investors should consult with their own tax advisors concerning the applicability and impact of any state, local, and foreign tax laws.

**There may be changes in the tax law governing the Units.**

The discussion of tax aspects in this Memorandum is based on current law. New administrative, legislative, or judicial action could significantly change the tax aspects of an investment in the Units. Any such change may or may not be retroactive with respect to transactions entered into or contemplated before the effective date of such change and could have a material adverse effect on the Partnerships and an investment in the Units.

## **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 Brigham or the integrity of Adviser's management.

There are no legal or disciplinary events with respect to an evaluation of Brigham's advisory services or the integrity of management.

## **Item 10**

### **Other Financial Industry Activities and Affiliations**

Brigham 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 Brigham are registered representatives of a broker-dealer.

Neither Brigham 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.

In connection with sponsoring the Funds, Brigham also sponsors an affiliated general partner for each Fund.

Brigham does not recommend or select other investment advisers for the Funds.

## **Item 11**

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

Brigham has adopted a written Compliance Manual and Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Adviser Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of Brigham’s supervised persons. The Code contains policies and procedures that supervised persons 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. Brigham requires pre-clearance of certain investments; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

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

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

In connection with sponsoring the Funds, Brigham and certain affiliates may have an economic interest in the Funds, the General Partners or both.

Brigham, the Principal, and Brigham personnel (collectively “Brigham Personnel”) engage in a broad range of activities, including investment activities for their own accounts, and may in the future spend a portion of their time and attention pursuing other investment opportunities. Limitations on conflicts of interests and related party transactions are disclosed in the Offering Documents.

Brigham believes that the significant investment in the Funds by the Principal and Brigham Personnel, as well as their respective carried interest, operate to align, to some extent, the interest of Brigham and Brigham Personnel with the interest of the Partners. At such time as Brigham is permitted to raise a successor investment fund to the Funds, Brigham Personnel will continue to manage the Funds’ existing investments, but likely will focus new investment activities on other opportunities. Brigham and Brigham Personnel will devote as much of their time to the activities of the Funds as they deem necessary, advisable and appropriate. Except as set forth in the Offering Documents, Brigham and Brigham Personnel are not restricted from allocating investment opportunities to, or forming, Other Funds, from entering into other investment advisory relationships or from engaging in other business activities that involve

substantial time and resources of Brigham and Brigham Personnel. This is likely to result in such persons spending a significant amount of business time on other opportunities, investments and entities unrelated to the Funds or their portfolio companies. These activities could create a conflict of interest in that the time and effort of Brigham and Brigham Personnel would potentially not be devoted exclusively to the business of the Funds but would instead be allocated between the business of the Funds and the management of the monies of Other Funds.

## **Item 12**

### **Brokerage Practices**

The Funds' investment strategy involves acquiring non-operating working interests in oil and gas reserves in the continental United States. As a result, Brigham does not select or recommend broker dealers for the purchase and sales of such securities. Furthermore, Brigham does not maintain any trading accounts and does not use "soft" dollars received from broker-dealers from the purchase and sales of securities for its clients.

### **Item 13**

#### **Review of Accounts**

Brigham will maintain comprehensive review procedures for the ongoing monitoring of the portfolio investments of the Funds. In connection therewith, Brigham conducts periodic reviews of all investments held by the Funds as it deems appropriate. All of Brigham's investment and operational staff participate in the ongoing monitoring of the Funds' portfolios, although responsibilities vary by individual. Performance, security positions and investment opportunities are among some of the matters that may be reviewed.

Brigham will provide written periodic financial reports, such as audited annual financial statements, to the Investors in the Funds. This reporting includes customary financials relating to the business and operations of the Funds.



## **Item 14**

### **Client Referrals and Other Compensation**

Brigham does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Funds.

While not a client solicitation arrangement, with respect to the Funds, Brigham may enter into an agreement with a third-party placement agent in the future. Any such agreement would provide for compensation to be paid to the placement agent for referring limited partners to the Funds. Any such agreement with a placement agent and related fees will be disclosed to prospective limited partners in the Funds.

## **Item 15**

### **Custody**

Brigham will be deemed under Rule 206(4)-2 of Adviser Act to have custody of the assets of the Funds by virtue of its relationship with the General Partners. The Funds' assets and securities will be held by qualified custodians. As noted in Item 13 above, Funds' Limited Partners will receive annual financial statements audited by an independent public accounting firm. Funds' Limited Partners are urged to carefully review such statements.

## **Item 16**

### **Investment Discretion**

Brigham exercises discretion in managing the investments of the Funds, based on the Funds' investment objectives, policies and strategies disclosed in their Offering Documents. The limitations on such authority are described in the Funds' Offering Documents.

Brigham will contractually assume discretionary authority over the assets of the Funds under an investment management agreement entered into among Brigham, the Funds and the Funds' General Partners.

## **Item 17**

### **Voting Client Securities**

Brigham's investment strategy involves non-operating working interests in oil and gas reserves in the continental United States. As a result, Brigham does not generally hold Fund investments in public equity securities and therefore does not generally receive proxies on behalf of its clients.

**Item 18**  
**Financial Information**

Brigham will not require or solicit prepayment of more than \$1,200, six months or more in advance.

Brigham does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Funds.

Brigham has not been the subject of a bankruptcy petition at any time during the past ten years.