



Part 2A of Form ADV: Disclosure Brochure

Item 1 – Cover Page

Phoenixian Resources Fund Sponsor, LLC

(SEC CRD Number: 304953)

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This brochure (“**Brochure**”) provides information about the qualifications and business practices of Phoenixian Resources Fund Sponsor, LLC and its Relying Advisors (“**Phoenixian Resources**”). If you have any questions about the contents of this Brochure, please contact Borja Madrid, Chief Compliance Officer, at (888) 405-9340 and/or compliance@phoenixianres.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about Phoenixian also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This amendment updates Phoenician Resources' annual amendment to its Brochure, dated August 8, 2023. This Brochure does not contain changes that the Phoenician Resources has determined to be material. However, Phoenician Resources notes that this Brochure contains other changes, additions and clarifications that Phoenician Resources does not believe constitute material changes. Investors are encouraged to read the Brochure in its entirety.

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Item 4 – Advisory Business

For purposes of this Brochure, the “**Adviser**” and “**Phoenician Resources**” mean collectively, Phoenician Resources Fund Sponsor, LLC (“**Phoenician**”) and the managers of each Fund (as defined below), who are each a “**Relying Adviser**” of Phoenician.

Phoenician Resources is an oil and gas operating company located in New York, New York with an additional office in Houston, Texas. Phoenician Resources acquires long-lived oil and gas production and reserves in low-risk, long-established conventional basins in the United States. Phoenician manages those assets with a view to enhancing their long-term value and providing stable cash flow and attractive returns to investors in the Funds managed by the Advisers. Phoenician’s strategy relies on proactive and broad deal sourcing, streamlined deal evaluation, and a disciplined investment and asset management process.

Phoenician provides investment advisory services to pooled investment vehicles (the “**Funds**” or the “**Clients**”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and whose securities are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”).

Phoenician was formed in 2013 and is currently principally owned and controlled by Borja Madrid.

The Adviser provides investment supervisory services to each Fund in accordance with the offering memorandum and limited partnership agreement of such Fund (the “**Organizational Documents**”). The Funds are subject to the investment strategies and investment restrictions set forth in the Fund offering materials.

The Adviser does not participate in wrap fee programs.

As of December 31, 2023, the Adviser managed approximately \$437,695,348 in regulatory assets under management, all of which were managed on a discretionary basis.

The Adviser tailors its services to Client needs respective to the investment objectives set forth in each Fund’s respective private offering memorandum but does not provide recommendations specific to any one individual investor. The Funds may enter into side letters and other agreements and arrangements with certain investors in the Funds, which may provide terms and conditions that are more advantageous than those set forth in the applicable offering memoranda. Such terms and conditions may include special rights to make future investments in the Funds or other investment vehicles managed by Phoenician, different transparency rights, and/or different fee terms.

Item 5 – Fees and Compensation

Fees

The Adviser or its affiliates generally receive Management Fees and Carried Interest allocations (each as defined below) or similar performance-based remuneration from a Fund. Additionally, consistent with the Organizational Documents of the Fund, the Fund typically bears certain out-

of-pocket expenses incurred by the Fund and the Adviser in connection with the services provided to the Fund.

The “Management Fees” are based upon the amount of called and uncalled capital commitments of the investors in the Funds. The fees are allocated annually, payable quarterly in advance.

“Carried Interest” is paid to the manager of each Fund based upon the profits of the Fund’s realized investments subject to a clawback by each Fund. The existence of the manager’s Carried Interest may create an incentive for the manager to make more speculative investments on behalf of each Fund than it would otherwise make in the absence of such Carried Interest. The potential conflict of interest created by the manager receiving Carried Interest may be tempered somewhat by the fact that losses will reduce the Fund’s performance and thus fees earned. The conflict is further mitigated by restrictions outlined in each Fund’s investment guidelines and compliance policies.

Neither the Adviser nor any of its related persons or affiliates receive commission or transaction-based compensation related to the sale of securities sold to the Funds.

Expenses

Organizational and operational expenses of each Fund are allocated to the Funds and investors as set forth in the Organizational Documents of the respective Funds.

Allocation of Expenses

From time to time the Adviser will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or the Adviser on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Funds and/or other parties. Certain expenses may be the obligation of one particular Fund and may be borne by such Fund, or expenses may be allocated among multiple Funds and entities. In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser is faced with a variety of potential conflicts of interest. Many allocation determinations may be subjective and give rise to conflicts of interest due to the inherent biases in the process.

The Adviser will allocate fees and expenses incurred in the course of evaluating and making investments that are consummated between Funds in accordance with each Fund’s Organizational Documents or, to the extent not addressed in such Organizational Documents, pro rata based on the respective total capital commitments of such Funds or in accordance with the Adviser’s policies.

The appropriate allocation between Funds and third parties of expenses and fees generated in the course of evaluating potential investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith discretion, consistent with the Organizational Documents of the Funds and the Adviser’s policies, as applicable.

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

Performance-based fees in general (including the payment of Carried Interest at varying rates) creates an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee paying clients over other clients in the allocation of investment opportunities. Generally, and except as may be otherwise set forth in the Organizational Documents of the Funds, this conflict is mitigated by (i) certain limitations on the ability of the Adviser to establish new investment funds, (ii) contractual provisions or policies requiring certain Funds and affiliates to purchase and sell investments contemporaneously, and/or (iii) contractual provisions and procedures setting forth investment allocation requirements. Please also see Item 11 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7 – Types of Clients

All of the Adviser’s clients are pooled investment vehicles that are privately offered to accredited investors and qualified purchasers. Each Fund requires a minimum investment amount by each investor, which amount may be waived by the Adviser in its sole discretion.

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

Method of Analysis

The objective of each Fund is to acquire proved, conventional properties in regional clusters, impose operating, capital, and financial discipline to each of the properties it acquires, and manage the properties for income, upside, and eventual sale. Each Fund aims to create a balanced portfolio of cash flowing assets and upside potential with a diversified risk profile. Each Fund plans to build a balanced and diversified portfolio of proved developed producing reserves (“PDPs”), proved developed not producing reserves (“PDNPs”), proved behind pipe reserves (“PBPs”) and proved undeveloped reserves (“PUDs”) with the goal of delivering consistent yield and upside potential – balancing portfolio considerations while focusing on the merits of each investment. Each Fund plans to diversify the portfolio across several dimensions including (i) basins, which diversifies reservoir type, geology, and drilling economics; (ii) regions, which diversifies across oil and gas market dynamics; and (iii) reserve categories, allowing multiple paths to capturing upside.

Investment Strategy

The Adviser’s investment strategy is to invest in long-lived oil and gas proved production and reserves (including PDPs, PDNPs, PBPs and PUDs) in several shallow, low-risk, and established conventional basins. Those assets will be managed for cash flow, reinvest for upside, and seek to position for exit at improved valuations. The Adviser’s strategy relies on: balanced portfolio management; proactive and broad deal sourcing; rigorous and streamlined deal evaluation; and a disciplined investment and asset management process. Through the asset management’s disciplined approach and extensive relationships, each Fund offers a differentiated and distinctive opportunity to identify and acquire high quality properties at significant discounts and capture the full upside of such properties.

General Investment Risks

Investment Policies and Strategies. The Funds may not meet their stated investment strategies and goals, and the Funds' managers have the right to vary from their strategies and policies if they determine it is in the best interests of the Funds and receive consent from the advisory boards, subject to the terms of the Organizational Documents.

Investor Failure to Fund Capital Commitment. Although the Funds believe that all investors will have the financial ability to meet their commitments, there can be no assurance that all commitments will be honored. If investors fail to make contributions of capital when due, a Fund's ability to complete its investment programs or otherwise to continue operations may be substantially impaired. A default by a substantial number of investors or by one or more investors who have made substantial commitments to a Fund likely would reduce returns to the Fund. Additionally, any default by any investor may adversely affect the Funds. In the event that an investor fails to contribute capital when required, such investor will be subject to adverse consequences, which may include, but are not limited to, forfeiture of half of its capital account, application of distributions made subsequent to its default in satisfaction of all amounts payable by such defaulting investor (possibly plus an interest charge on the defaulted amount), possible termination of unfunded commitments and the loss of its right to vote its interest.

Reliance on Key Persons. The ability of the Funds' managers to manage the Funds' affairs currently depends on the Funds' management teams. There can be no assurance that the members of the management teams will remain affiliated with the Funds' managers throughout the term of the Funds or otherwise be able to continue to carry on their current duties throughout such term. The inability to recruit and hire additional key personnel as needed could have a material adverse effect on the Funds' operations.

General Economic and Other Conditions. The Funds' investments may be adversely affected from time to time by such matters as changes in general economic, industrial and international conditions, changes in taxes, prices and costs, and other factors of a general nature that are beyond the control of the Funds.

Illiquidity of Interests. Investors should be aware of the long-term nature of these investments. There is not now and will not be a public market for the interests. Because the interests have not been registered under the Securities Act or under the securities laws of any State or non-United States jurisdiction, the interests are "restricted securities" and cannot be resold in the United States except as permitted under the Securities Act and applicable State securities laws, pursuant to registration thereunder or exemption from such registration. It is not contemplated that registration under the Securities Act or other securities laws will ever be effected. The interests may also not be sold or otherwise transferred without the consent of the applicable Fund's manager and compliance with the applicable Organizational Documents. Accordingly, an investor may not be able to liquidate his or her investment in the Funds in the event of an emergency or for any other reason, and his or her interests may not be acceptable as collateral for loans. Limitations on the transfer of the interests may also adversely affect the price that an investor might be able to obtain for interests in a private sale.

Liability of Investors for Repayment of Certain Distributions. Under Delaware law (applicable to an investment in the Funds), if an investor has knowingly received a distribution from a Fund at a time when its liabilities exceed the fair market value of its assets after giving effect to the distribution, the investor is liable to the Fund for a period of three years thereafter for the amount of the distribution. If a Fund is otherwise unable to meet its obligations, the investors may, under applicable law, be obligated to return, with interest, cash distributions previously received by them to the extent such distributions are deemed to constitute a return of their capital contributions or are deemed to have been wrongfully paid to them. In addition, an investor may be liable under applicable Federal and State bankruptcy or insolvency laws to return a distribution made during a Fund's insolvency.

Nature of Investment in General. An investment in the Funds involves a high and speculative degree of business and financial risk that could result in a loss of all or a part of the invested capital. There can be no assurance that the Funds' investment strategies will produce favorable returns. An investment in the Funds requires a long-term commitment, with little or no near-term cash flow available to the investors. The Funds' investments in oil and gas assets will be highly illiquid, and there can be no assurance that the Funds will be able to realize their investments in oil and gas assets in a timely manner. The Funds' contemplated exit strategies for their oil and gas assets can be adversely affected by numerous factors, many of which may be unforeseen or unexpected at the time the investment is made. A Fund may make investments that may not be advantageously disposed of prior to the date that such Fund will be dissolved, either by expiration of such Fund's term or otherwise. Consequently, dispositions of the Funds' oil and gas assets may require a lengthy time period or may result in distributions in kind to the investors. Poor performance of a Fund's oil and gas assets will severely and negatively impact the returns to its investors.

No Right to Control the Funds' Operations. Investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Funds. In order to safeguard their limited liability for the liabilities and obligations of the Funds, investors must rely entirely on the Funds' managers to conduct and manage the affairs of the Funds.

Substantial Fees and Expenses. The Funds will pay fees and expenses and other execution, leverage, administrative or operational costs whether or not they make any profits. While it is difficult to predict the future expenses of any Fund, such expenses may represent a substantial percentage of a Fund's assets. The Funds must make substantial profits to avoid depletion or exhaustion of their assets from these fees and expenses.

Operating Deficits. The expenses of operating a Fund may exceed its income, thereby requiring that the difference be paid out of the Fund's capital, as applicable, reducing the amount available for investments and therefore the potential for profitability. Since distributions to investors are dependent on available cash flow and proceeds from sales of the Funds' oil and gas assets, an investment in the Funds is not suitable for investors seeking current distributions of income. The Funds will allocate their income to the investors, and each investor will be required to report and pay taxes on its allocable share of income from the Funds, even if no cash is distributed by the Funds.

Government Regulation and Changes in Law. Following severe global market volatility and dislocations, financial institution failures and defaults, and large financial frauds in recent years, U.S. and foreign governmental authorities, agencies, and representatives have called for financial system and participant regulatory reform, including additional regulation of investment funds (such as the Funds) and the Funds' managers and their activities, including registration requirements, compliance, risk management, anti-money laundering procedures, and reporting and disclosure requirements.

Governmental Interventions. Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the Adviser's strategies.

Risk of Co-Investments. A Fund may make investments in oil and gas assets in which other parties may co-invest. Any such transactions may involve conflicts of interest among such Fund, its manager and their respective affiliates, 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 Fund may not be in a position unilaterally to control 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 applicable Fund's dissolution, then the ability of such Fund to exercise certain rights associated with its 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 applicable Fund, may pursue interests inconsistent with those of such Fund, may default on their obligations, and/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, and/or other fees payable to such third parties. Furthermore, if a Fund 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 Fund or may reduce the price available to the Fund, which may also be disposing of its investment.

Risks Upon Disposition of Oil and Gas Assets. In connection with the disposition of an oil or gas asset, a Fund may be required to make certain representations and warranties about such asset. A Fund may also be required to indemnify the purchasers of such asset in case any of these representations and warranties turn out to be incorrect, inaccurate or misleading. These arrangements may create contingent liabilities of the Funds, which might ultimately have to be funded by the investors.

Third-Party Claims. The Funds may acquire properties subject to known or unknown liabilities and with limited or no recourse. As a result, if liabilities were asserted against a Fund based upon such properties, the Fund might have to pay substantial sums to dispute or remedy the matter, which could adversely affect the Fund's cash flow. Unknown liabilities with respect to assets acquired could, for example, include the following: liabilities for clean-up of undisclosed environmental contamination; claims by developers, site owners, vendors or other persons relating to the asset or project site; liabilities incurred in the ordinary course of business; and claims for indemnification by general partners, directors, officers, managers, members and others indemnified by the former owners of the asset or project sites.

Fluctuation in Value of Investments; Closings. A Fund's manager may elect to hold multiple closings in order to admit additional investors to the Fund following an initial closing or to accept increased commitments from existing investors. The value of a Fund's investments during this period may fluctuate, including by significantly increasing in value. Regardless of any increase in value of a Fund's investments, investors admitted to such Fund during this period will be required to contribute to the Fund an amount equal to the amount such investor would have contributed to make investments and pay expenses (including the management fee) as if such investor's commitment had been made on the commencement date, plus an interest component. As a result, investors who acquired interests in such Fund prior to the admission of later admitted investors may be diluted in respect of any appreciation of the Fund's investments during the period prior to the later admitted investors' admission to the extent that the appreciation during such period is greater than such interest component. Although any such new investor will be required to contribute its *pro rata* share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of a Fund's existing investments at the time of such contributions.

Side Letters. Any Fund's managers may enter into a side letter or other similar agreement with particular investor in connection with its admission to the Fund without the approval of any other investor, which would have the effect of establishing rights under or supplementing the terms of the applicable Organizational Documents with respect to such investor in a manner more favorable to such investor than those applicable to other limited investors.

Limited Information. Investment analyses and decisions by the Adviser and the Funds' managers may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available at the time of making an investment decision may be limited, and the Adviser and the Funds' managers may not have access to complete information regarding the target asset. Therefore, no assurance can be given that the Adviser and the Funds' managers will have knowledge of all circumstances that may adversely affect a target asset. In addition, the Adviser and the Funds' managers expect to rely upon specialized expert input by various third-party consultants and service providers in connection with its evaluation of targeted assets.

Disclosure of Information. Certain investors may be subject to state public records or similar freedom of information laws, which may compel public disclosure of confidential information regarding the Funds, their investments and their investors. There can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement agencies or otherwise, including for purposes of complying with regulations or policies to which the Funds,

the Funds' managers, their affiliates or service providers to any of them may be or become subject.

Protection of Confidentiality by Investors. Investors will generally be required to keep confidential all information relating to the Funds (including its investors and investments) and/or their investments' results and expectations thereof. To protect the sensitive nature of this information, the Funds' managers, in their discretion, may generally make all or certain confidential information unavailable to all or certain investors, in some cases based on the status of those investors.

Inflation Risk. In 2022 and 2023, in light of increasing inflation, the U.S. Federal Reserve (the "**Fed**") increased interest rates multiple times. Although interest rates have come down slightly in the latter half of 2023, inflation is still a concern and the Fed could raise interest rates again because of the current robust economy, which could create downward pressure on the value of certain investments made by the Adviser. Further, the Adviser may face difficulty in realizing value from investments due to sustained declines in equity market values as a result of concerns regarding interest rates. Inflation and rapid fluctuations in inflation rates have in the past had, and may in the future have, negative effects on economies and financial markets. In an attempt to stabilize inflation, governments have imposed wage and price controls and will likely continue to intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. If inflation were to decrease at rates slower than those anticipated in underwriting investments, the effective rate of return on such investments may be reduced and as a result, could have a material and adverse impact on Phoenician and its investments.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, pandemics, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Adviser to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Adviser and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such on the Adviser.

It has become common for politicians in the U.S. Congress to use the statutory debt limit of the United States ("**Debt Ceiling**") for political gain. If the Debt Ceiling is breached, the U.S. Department of the Treasury may take extraordinary measures to prevent the U.S. from defaulting on its obligations. If Congress does not raise the Debt Ceiling, the U.S. could default on its obligations, including Treasury securities that play an integral role in financial markets. A default by the U.S. could result in unprecedented market volatility and illiquidity, heightened

operational risks relating to the clearance and settlement of transactions, margin and other disputes with clients and counterparties, an adverse impact to investors, downgrades in the U.S. credit rating, further increases in interest rates and borrowing costs and a recession in the U.S. or other economies. Even if the U.S. does not default, continued uncertainty relating to the Debt Ceiling could result in downgrades of the U.S. credit rating, which could adversely affect market conditions.

Financial Institutions Risk. The Adviser relies upon third-party banks or other custodians to hold and safeguard client assets. While the Adviser carefully selects and monitors its custodians, there is no guarantee that such custodians will not experience financial difficulties or otherwise fail, which could prevent the Adviser from accessing client funds, securities, or credit facilities. These events could negatively impact Adviser performance or result in substantial delays in the return of capital to investors.

Events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions or the financial services industry generally, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver. Despite subsequent actions taken by the U.S. Department of the Treasury, the U.S. Federal Reserve and the FDIC to ensure that all depositors of SVB had access to all of their cash deposits following the closure of SVB, uncertainty and liquidity concerns in the broader financial services industry remain.

The Adviser regularly maintain cash balances at banks or other custodians in excess of the FDIC insurance limit. Each of these parties' access to cash in amounts adequate to pay expenses, purchase new investments and otherwise operate its business could be significantly impaired by the financial institutions with which it maintains cash balances to the extent such financial institutions face liquidity constraints or failures. In addition, investor concerns regarding the U.S. or international financial systems may increase the risk of default of particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, all of which could have a material adverse effect on the performance of the Adviser's investments, returns and the ability of the Adviser to make and/or dispose of investments. No assurance can be given as to the effect of these events on the value of, or markets for, investments, or the Adviser's ability to recover therefrom. In addition, while it is not always possible to predict the extent of the impact that the failure of any financial institution or the high market volatility and instability of the banking sector could have on economic activity and the Adviser in particular, the failure of other banks and financial institutions and the measures taken by governments, businesses and other organizations in response to these events could adversely impact the Adviser and its investments.

Geopolitical Risks and Force Majeure. An unstable geopolitical climate and continued threats of terrorism could have a material adverse effect on general economic conditions, market conditions and market liquidity. For example, the United States and governments globally have seen a rise in populist and nationalist tendencies, with political parties espousing such themes gaining strength in local and national elections. In addition, geopolitical tensions, including the

conflict between Russia and Ukraine, the attack on Israel by Hamas, the affects of which have destabilized the region, and rising tensions between the United States and China, and the impact of long term financial and economic sanctions, could lead to uncertainty, disruption, and volatility in global markets and industries that could negatively impact the Adviser. Moreover, certain current events and resulting movements (including protests) have caused social unrest in the United States and in other parts of the world. At times, such movements have been accompanied by violence and looting which has seen certain businesses suffer physical damage and economic loss. In addition, such movements have seen certain businesses become subject to adverse publicity and heightened scrutiny as a result of historical action or inaction.

Geopolitical tensions, such as Russia's incursion into Ukraine, has led to disruption, instability and volatility in global markets and industries that could negatively impact the Adviser. The U.S. and other governments have imposed meaningful sanctions and export controls against Russia and Russian interests and threatened additional sanctions and controls. The Adviser will be required to comply with such measures and the full impact of such measures (including supply chain disruptions), as well as potential responses to them by Russia, is currently unknown and may become significant.

The Adviser could also be materially affected by Hamas' attack on Israel and Israel's counterattack into Gaza. The conflict has created tensions throughout the region which could expand creating a global crisis which has already increased U.S. military involvement. There have been over one hundred attacks on U.S. bases in the region, which has resulted in the death of three U.S. service members. Subsequently, there have been over one hundred air strikes by the U.S. against various terrorist organizations. Since the conflict began, various terrorist organizations have started attacking international shipping in the Red Sea, especially at the Bab el-Mandeb Strait which connects the Red Sea to the Gulf of Aden. Twelve percent of the oil and eight percent of the liquefied natural gas seaborne trade passes through the strait. The attacks on shipping are already causing some major oil and natural gas carriers to forgo the strait and take the longer trip around Africa which adds expense and delays. Such geopolitical tensions could create disruptions in the global supply chain and the global and U.S. economies which could negatively impact the Adviser.

Additionally, the Adviser and its investments may be affected by force majeure events such as events beyond the control of the party claiming that the event has occurred including, without limitation, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes. Some force majeure events may adversely affect the ability of a party, including the Adviser, its investments or a counterparty to the Adviser, to perform its obligations until it is able to remedy the force majeure event. In certain circumstances, the Adviser may be a party to a contract which does not provide a remedy in favor of the Adviser if a force majeure event occurs. In this event, the Adviser may be required to continue to comply with its obligations (including, but not limited to, payment or performance of its obligations) under the contract even though it may not receive some or all of the benefits to which it is entitled under such contract. Such a circumstance may cause the Adviser to suffer economic loss, and such loss may be exaggerated if a force majeure event subsists for an extended period of time.

In addition, the cost to the Adviser of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events such as war or an

outbreak of an infectious disease could have broader negative impact on the world economy and international business activity generally or in any of the countries in which the Adviser will invest. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of default of particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, each of which could have a material adverse effect on the performance of the Adviser's investments, returns and the ability of the Adviser to make and/or dispose of investments. No assurance can be given as to the effect of these events on the value of, or markets for, investments, or the Adviser's ability to recover therefrom.

Conflicts of Interest. The Funds may be subject to conflicts of interest, and the Funds may enter into relationships with third parties or other affiliates, some of which may give rise to conflicts of interest. Certain provisions of each Fund's agreements are designed to protect the interests of the investors in situations where conflicts may exist, although these provisions do not eliminate such conflicts of interest. The agreements and arrangements among the Fund, the Adviser and their respective affiliates, including those relating to compensation, have been established by the Funds' managers and are not the result of arm's-length negotiations. In addition, the Funds intend to implement policies as necessary or appropriate to deal with such potential conflicts.

Diverse Investor Group. The investors may have conflicting investment, tax, and other interests with respect to their investments in the Funds. The conflicting interests of individual investors may relate or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with the decisions made by the Funds' managers, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, the Adviser will consider the investment and tax objectives of the Funds and their investors as a whole, not the investment, tax, or other objectives of any investor individually.

Limitation of Liability of the Funds' Managers. Each of the Fund's agreements will limit the circumstances under which the Funds' managers can be held liable to the Funds. As a result, the investors may have a more limited right of action in certain cases than they would in the absence of those provisions.

Risks Related to the Funds' Investments

Volatility of crude oil and natural gas prices. The financial condition, results of operations, and the carrying value of oil and gas properties depend primarily upon the prices received for crude oil and natural gas production. Crude oil, natural gas, and natural gas liquids prices historically have been volatile and likely will continue to be volatile given current geopolitical conditions. Cash flow from operations is highly dependent upon the sales prices received from crude oil and natural gas production. The prices for crude oil and natural gas are subject to a variety of factors beyond the Funds' control. These factors include, without limitation:

- the regional, domestic, and foreign supply of crude oil, natural gas, and natural gas liquids; consumer demand for crude oil and natural gas, and market expectations regarding supply and demand;
- the ability of the members of OPEC to agree to, and maintain, crude oil price and production controls;
- domestic government regulations and taxes;
- the price and availability of foreign exports and alternative fuel sources;
- weather conditions, including hurricanes and tropical storms in and around the Gulf of Mexico;
- political conditions in oil and gas producing regions, including the Middle East, Russia, Africa, and South America; and
- domestic and worldwide economic conditions.

These factors and the volatility of the energy markets make it extremely difficult to predict price movements. Also, crude oil and natural gas prices do not necessarily move in tandem. Declines in crude oil and natural gas prices would not only reduce revenues and cash flow available for distributions to investors, but could reduce the amount of crude oil and natural gas that can be economically produced from the Funds' wells, and, therefore, have an adverse effect upon financial condition, results of operations, crude oil and natural gas reserves, and the carrying value of the Funds' oil and gas properties.

Although the Funds will place hedges to reduce the risk of price volatility, the derivatives used to hedge such risk "lag" development programs and are typically available only on a portion of the latest production forecast contained in the Funds' engineering reports and are limited in duration. Also, due to the relatively small size of acquisitions by the Funds, hedging alternatives may be constrained until a Fund has aggregated sufficient production.

Swaps. The Funds plan to use swaps and/or commodity interests for hedging purposes. Swaps transactions, like other financial transactions, involve a variety of significant risks. The specific risks presented by a particular swap transaction necessarily depend upon the terms of the transaction and on other economic circumstances. In general, however, all swaps transactions involve some combination of market risk, credit risk, counterparty credit risk, funding risk, liquidity risk, and operational risk. For example, counterparty credit risk involves the risk that a counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of the transaction. A counterparty may become bankrupt or otherwise fail to perform its obligations due to financial difficulties resulting in significant delays in obtaining any

recovery in a bankruptcy or other reorganizational proceeding or no recovery in such circumstances.

Highly customized swaps transactions in particular may increase liquidity risk. Highly leveraged transactions may experience substantial gains or losses in value as a result of relatively small changes in the value or level of an underlying or related market factor. In evaluating the risks and contractual obligations associated with a particular swap transaction, it is important to consider that a swap transaction may be modified or terminated only by mutual consent of the original parties and subject to agreement on individually negotiated terms. Therefore, it may not be possible for a Fund's manager to modify, terminate, or offset the Fund's obligations or the Fund's exposure to the risks associated with a transaction prior to its scheduled termination date. While the Funds intend to make use of hedges to limit downside pricing risk, such hedges may not be available at certain times.

Oil and natural gas production is a costly and high-risk activity. The cost of operating a well is often uncertain, and cost factors can adversely affect the economics of a well. If commodity prices decline, the cost of developing, completing and operating a well may not decline in proportion to the prices that are received for the production, resulting in higher operating and capital costs as a percentage of oil and natural gas revenues. If oilfield service costs remain elevated in relation to prevailing oil and natural gas prices, the results of operations and cash flows could be adversely affected. Efforts will be uneconomical if wells that are productive do not produce as much oil and natural gas as has been estimated. Furthermore, the production operations may be curtailed, delayed, or canceled as a result of other factors, including:

- higher costs, shortages of, or delivery delays of rigs, equipment, labor, materials, or other services;
- unexpected operational events and/or conditions;
- reductions in oil and natural gas prices;
- increases in severance taxes;
- limitations in the market for oil and natural gas;
- adverse weather conditions and natural disasters;
- facility or equipment malfunctions, and equipment failures or accidents;
- title problems;
- pipe or cement failures and casing collapses;
- compliance with environmental and other governmental requirements;
- environmental hazards, such as natural gas leaks, oil spills, pipeline ruptures, and discharges of toxic gases;
- lost or damaged oilfield development and service tools;
- unusual or unexpected geological formations, and pressure or irregularities in formations;
- loss of drilling fluid circulation;
- fires, blowouts, surface craterings, and explosions;
- uncontrollable flows of oil, natural gas, or well fluids; and
- loss of leases due to incorrect payment of royalties.

If any of these factors were to occur with respect to a particular field, all or a part of an investment in the field could be lost, or the expected benefits from the field could fail to be realized, either of which could materially and adversely affect a Fund's revenue and profitability.

Permits and authorizations. The Funds' operations require numerous permits and authorizations under various laws and regulations, including environmental, health and safety laws and regulations. These permits and authorizations are subject to revocation, renewal or modification and can require operational changes, which may involve significant costs, to limit impacts or potential impacts on the environment, health and/or safety. A violation of these permit or authorization conditions or other legal or regulatory requirements could result in costs and expenses to remedy such violation as well as substantial fines, criminal sanctions, permit revocations, injunctions and/or a shutdown of a Fund's operations.

Investment in declining assets. Production from all oil and gas wells by its very nature will decline over time. The actual decline curve is subject to numerous factors and cannot, in normal circumstances, be calculated in advance. The production from oil and gas wells is also subject to fluctuation for a myriad of reasons. Oil and gas production may not be stable on a month-to-month basis. Prospective investors should understand that over the economic life of a well, any oil or gas production obtained will decline and the well may, as a result of such decline, become non-commercial.

Regulatory changes. There is some risk that changes in Federal, State or local regulations may materially impact the outcome of the investments. Such changes may limit hydraulic fracture stimulation, limit access or costs of processing fresh water, change ad valorem or other local taxes, require plugging and abandoning of wells, place requirements on water and cutting disposal, or place other requirements, limitations or expenses on the Funds or their investments.

Uncertainty of projections and identification of liabilities. One of the Funds' growth strategies is to capitalize on opportunistic acquisitions of oil and natural gas reserves. However, reviews of acquired properties are inherently incomplete because it generally is not feasible to review in depth every individual property involved in each acquisition of oil and natural gas reserves. Even a detailed review of records and properties may not necessarily reveal existing or potential problems, nor would it permit a buyer to become sufficiently familiar with the properties to assess fully their deficiencies and potential. Inspections may not always have been performed on every well acquired. Potential problems, such as deficiencies in the mechanical integrity of equipment or environmental conditions that may require significant remedial expenditures, are not necessarily observable even when a well is inspected. Any unidentified problems could result in material liabilities and costs that negatively affect the financial condition and results of operations of the Funds.

Even if problems with an acquisition were identified, the seller may be unwilling or unable to provide effective contractual protection or indemnify a Fund against all or part of these problems. Even if a seller agrees to provide a Fund with an indemnity, the indemnity may not be fully enforceable and may be limited by floors and caps on such indemnity.

Much of the oil produced in certain locations is refined locally. Upsets, or significant increases in supply availability could limit a refinery's ability to take incremental crude volumes and/or effect price differentials in a given area.

Competition in the oil and natural gas industry is intense. The Funds operate in a highly competitive environment for contracting for drilling equipment and securing trained personnel. Competitors may be able to pay more for drilling equipment than the Funds' financial or personnel resources permit. Moreover, competitors for investment capital may have better track records in their programs, lower costs or better connections in the securities industry segment that markets oil and gas investment programs than the Funds do. All of these challenges could make it more difficult to execute the Funds' growth strategy. The Funds may not be able to compete successfully in the future in raising additional capital.

Furthermore, competition arises not only from numerous domestic and foreign sources of natural gas and oil but also from other industries that supply alternative sources of energy. Product availability and price are the principal means of competition in selling natural gas and oil. Many of the Funds' competitors possess greater financial and other resources than the Funds, which may enable them to market their natural gas and oil production more effectively than the Funds do.

Failure to close on acquisitions or to do so in a timely manner will have a material adverse impact on the Funds' business plan and on investment returns. The Funds participate in an extremely competitive industry and there is no assurance that the Funds will be able to consummate acquisitions.

The Funds may apply structured financing to certain producing oil and natural gas properties acquired, as is typical in the industry, in order to improve the return on the Funds' capital investment and to increase the level of funding available for acquisition and improvement of the targeted properties. The Funds, while intending to make prudent use of leverage, intend to limit their use of such structured financing to those properties which, in the determination of the Funds' managers, reasonably support them and whose base production and enhancement opportunities are reasonably justifiable. However, such borrowing, even if limited in scope and conservative in practice, could pose a risk of over-extension by the Funds in the event of a collapse in energy prices or significant operational events. Consequently, prudent and selective hedging strategies will be applied as necessary in order to mitigate this risk. It is possible that these mitigation approaches may not prove sufficient. Due to the small scale of the intended acquisitions, the Funds may have limited financing options until they have developed a portfolio of assets and those financing options may have terms that are worse than what the Funds' competitors in the market may be able to access.

Loan Default Risks. The loan documents for some of the Funds and their subsidiaries will generally contain customary covenants, such as requirements relating to the maintenance of the property securing the debt, restrictions on pledging and creating other liens on the property, restrictions on incurring additional indebtedness and restrictions on transactions with affiliates. Failure by a Fund to make timely payments of principal and interest on loans or to observe these loan covenants could result in the declaration of a default by the lender. The consequences of a declaration of default include foreclosure of the mortgage, resulting in loss of both the property

and the income it produces, the incurrence of substantial legal costs, the imposition of a deficiency judgment if the foreclosure sale does not result in proceeds sufficient to satisfy the mortgage, and potential adverse tax consequences to investors. In addition, if any loan contains cross-default provisions, a default under one loan could result in default under other loans, which could adversely affect a Fund's operations.

Refinancing Risks. Loans made to some of the Funds and their subsidiaries may be subject to relatively short maturities which may require refinancing before the properties are disposed of. There is no assurance that replacement financing can be obtained or, if it is obtained, that interest rates and other terms would be as favorable as for the original loans. Inability to refinance a loan on favorable terms may compel a Fund to attempt to dispose of a property or properties on terms less favorable than might be obtained at a later date.

Bank Risk. Some of the lenders which finance the Funds' investments may become insolvent, enter into receivership or otherwise become unable to fulfill their respective financial obligations to the Funds or their subsidiaries. Should a lender fail to meet its funding obligations, a project could suffer from significant delays and additional expenses, which could adversely impact a Fund's investment in such project. The Funds may be required to seek additional financing, which could prove more difficult under a changed economic environment, and the Funds may not be able to obtain favorable terms if the Funds do acquire such financing.

Zoning and Environmental Laws. Governmental zoning and land use regulations may exist or be promulgated that could have the effect of restricting or curtailing certain uses of existing structures or requiring that such structures be renovated or altered in some fashion. Such regulations could adversely affect the value of any of the Funds' properties. In recent years, the value of real estate has also sometimes been adversely affected by the presence of hazardous substances or toxic waste on, under, or in the environs of the real estate. A substance (or the amount of a substance) may be considered safe at the time the real estate is purchased but later classified by law as hazardous. Under environmental laws, owners of properties have been liable for substantial expenses to remedy chemical contamination of soil and groundwater at their real estate even if the contamination predated their ownership. Although the Funds will exercise reasonable efforts to assure that no real estate is acquired that gives rise to such liabilities, environmental contamination cannot always be detected through readily available means, and the possibility of such liability cannot be excluded.

Risk of Uninsured Losses. While the Funds intend to carry customary comprehensive liability and casualty insurance, certain disaster insurance (such as earthquake insurance) may not be available or may be available only at prohibitive cost. In addition, losses may exceed insurance policy limits, and policies may contain exclusions with respect to various types of losses or other matters. Consequently, all or a portion of the Funds' properties may not be covered by disaster insurance, and insurance may not cover all losses.

This Brochure is both supplemented and superseded by the applicable Organizational Documents, and/or management agreements for each Fund. Prospective investors are urged to carefully review the terms of investing before deciding to invest with Phoenician. The information contained herein is a summary only and qualified in its entirety by the relevant governing documents.

Item 9 – Disciplinary Information

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

Item 10 – Other Financial Industry Activities and Affiliations

The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.

Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

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

For a description of material conflicts of interest created by the relationship among the Adviser and its affiliates, as well as a description of how such conflicts are addressed, please see Item 11 below.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics

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

As part of its Code, the Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of a restricted trading list. In addition to procedures to prevent the abuse of material, non-public information, the Code contains policies and procedures covering standards of conduct, political contributions, potential conflicts of interest (including but not limited to gifts, entertainment, and outside business activities of Adviser Personnel), and confidentiality. All Adviser Personnel must acknowledge the terms of the Code annually or as the Code is amended on an ongoing basis.

Adviser Personnel who violate the Code may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension, or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of which they become aware. Adviser Personnel are required to annually certify compliance with the Code.

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

Participation in Client Transactions

Unless otherwise disclosed to a Fund or its Advisory Board, neither the Adviser nor any of its related persons recommend to any person or entity Fund investments in which the Adviser or any of its related persons have a material financial interest.

In connection with sponsoring the Funds, the Adviser and certain affiliates have an economic interest in the Funds, the managers of the Funds, or both. A Fund or its manager, as applicable, may reduce all or a portion of the Management Fee and performance-based fees related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Conflicts of Interest

The Adviser and its related persons engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management, and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund will, from time to time, conflict with the interests of the Adviser, other Funds, or their respective affiliates and investors. Certain of these conflicts of interest, as well as a description of how the Adviser addresses such conflicts of interest, can be found below.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser’s best judgment, but in its sole discretion. In resolving conflicts, the Adviser will consider various factors, including the interests of the applicable Fund(s) or investors with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Organizational Documents for the Clients;
- Generally, the manager of a Fund has established an Advisory Board composed of representatives of Fund investors. While the Advisory Board will not have a direct role in management of a Fund, the Advisory Board may be consulted with respect to transactions involving conflicts of interest;

- Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price;
- Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund; and
- In addition, certain provisions of a Fund's Organizational Documents are designed to protect the interests of investors in situations where conflicts may exist, although these provisions do not eliminate such conflicts. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Fund and its ability to achieve its investment objectives.

Conflicts related to the Adviser and its Affiliates

The Adviser may in the future, in its discretion, contract with any related person of the Adviser (including but not limited to an operating company of a Fund) to perform services for the Adviser in connection with its provision of services to the Funds. When engaging a related person to provide such services, the Adviser has an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser generally may, in its discretion, recommend to a Fund or to an operating company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to an operating company of a Fund) or (ii) an entity with which the Adviser or its affiliates, or a member of their personnel, has a relationship or from which the Adviser or its affiliates, or their personnel, otherwise derives financial or other benefit. When making such a recommendation, the Adviser, because of its financial or other business interest, has an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser, its affiliates, and members, officers, principals, and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to the Funds. Officers, principals, and employees of the Adviser may also buy securities in transactions offered to but declined by Funds. A conflict of interest may arise because such investing Adviser personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the Funds. In such circumstances, the investing Adviser personnel will not share or reimburse the relevant Fund(s) and/or the Adviser for any expenses incurred in connection with the investment opportunity. The transactions described above are subject to the policies and procedures set forth in the Adviser's Code of Ethics and investors will not benefit from any such investments. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Clients. If officers, principals and employees of the Adviser have made large capital investments in or alongside the Funds, they will have conflicting interests with respect to these investments. While the significant interests of the officers and employees of the Adviser

generally aligns the interest of such persons with the Funds, such persons may have different interests from the Funds with respect to such investments (for example, with respect to the availability and timing of liquidity).

Because certain expenses are paid for by a Fund and/or its operating companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its operating companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its operating companies to incur) such expenses.

General Conflicts

The Organizational Documents of a Fund establish complex arrangements among the Funds, the Adviser, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Organizational Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund and may also represent one or more operating companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser, and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Funds and the operating companies of the Funds will, from time to time, engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the operating companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the operating company, or the Adviser receiving a discount on services even though the Funds and/or the operating companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Funds and/or operating companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the operating companies.

The Adviser and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in "miles" or "points" or credit in loyalty/status programs to the Adviser and/or its personnel, and such rewards and/or amounts will exclusively benefit the Adviser and/or such personnel and will not be subject to the

offset arrangements described above or otherwise shared with such Fund, its investors, and/or the operating companies.

The Adviser may in the future have, and may, in its discretion, cause the Funds and/or their operating companies to have, ongoing business dealings, arrangements, or agreements with persons who are former employees or executives of the Adviser. The Funds and/or their operating companies may bear, directly or indirectly, the costs of such dealings, arrangements, or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their operating companies) in determining whether to engage in or to continue such dealings, arrangements, or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

The Adviser may cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable manager, the Adviser and/or their respective directors, officers, managers, members, employees, agents, representatives, members of the applicable Advisory Board and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by the Adviser that cover one or more Funds and/or the Adviser (including their respective directors, officers, managers, members, employees, agents, representatives, members of the applicable Advisory Board and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds, and/or the Adviser on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

Please see the discussion above under the sub-heading “Resolution of Conflicts” for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

Item 12 – Brokerage Practices

The Adviser’s investment strategy involves making investments for Funds to invest long-lived oil and gas proved production and reserves (including PDPs, PDNPs, PBPs and PUDs) in several shallow, low-risk, and established conventional basins. As a result, the Adviser does not select or recommend broker-dealers for the purchase and sales of securities.

The Funds may hedge commodity price risk inherent in oil and gas in conjunction with an asset acquisition by entering into and performing price swaps and other hedge and risk management contracts. Financial parties associated with such positions will be selected based on the Adviser’s policies.

Furthermore, the Adviser does not maintain any trading accounts and does not use “soft” dollars received from broker-dealers from the purchase and sales of securities for its Clients. The

Adviser may receive research, conference or educational resources for free or at a reduced cost from service providers or potential service providers of the Funds. The acceptance of such resources are monitored for conflicts of interest and such conflicts are disclosed and mitigated in accordance with the Adviser's policies.

Item 13 – Review of Accounts

Oversight and Monitoring

The Adviser maintains review procedures for the ongoing monitoring of the portfolio investments of its Funds. In terms of the investment process, the Adviser's investment professionals conduct an initial opportunity screening and detailed due diligence prior to pursuing an investment to ensure a reasonable basis for investment decisions. The Adviser actively monitors the value of investments and potential risks. In connection therewith, the Adviser conducts periodic reviews of all investments held in each Fund's portfolio. Both investment and operational personnel participate in the ongoing monitoring of the Funds' portfolios, although responsibilities vary by individual.

Reporting

The Adviser provides written periodic reports to all investors of the Funds at a frequency determined by each Fund, but at least annually. Reports typically disclose holdings, transactions, and other related information regarding Fund investments. The Adviser and the applicable manager, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate. Annual financial statements are audited by an independent third party accounting firm.

Item 14 – Client Referrals and Other Compensation

The Adviser does not receive any monetary compensation or any other economic benefit from a non-client for the Adviser's provision of advisory services to a client. The Adviser does not compensate any third party for client referrals.

Item 15 – Custody

Due to its position as asset manager of the Funds, the Adviser and its affiliates may be deemed to have custody of the assets of the Funds. All assets and securities of the Funds are held by qualified custodians with the exception of assets that are considered to be "privately offered securities" under Rule 206(4)-2(b) under the Advisers Act. As noted in Item 13 above, Fund investors receive annual audited financial statements prepared by an independent public accounting firm that is registered with, and subject to review by, the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of the Fund's fiscal year (i.e. generally by April 30). Fund investors are urged to carefully review these statements.

Item 16 – Investment Discretion

In accordance with the terms and conditions of the Funds' Organizational Documents and investment management agreements, and subject to the direction and control of the manager of each Fund, the Adviser generally has discretionary authority to determine the investments and the amounts to be bought or sold on behalf of the Funds and to perform the day-to-day investment operations of the Funds.

The Adviser's authority to manage the Funds is in all cases subject to the objectives, guidelines, and limitations set forth in the applicable Fund Organizational Documents.

Item 17 – Voting Client Securities

The Adviser's investment strategy involves making investments for Funds to invest long-lived oil and gas proved production and reserves (including PDPs, PDNPs, PBPs and PUDs) in several shallow, low-risk, and established conventional basins.

As a result, the Adviser does not generally acquire Fund investments in public equity securities and therefore does not generally receive proxies on behalf of its clients.

If the Adviser is called upon to vote proxies, it will vote such proxies in accordance with the proxy voting policies and procedures in the Adviser's compliance manual. Pursuant to SEC rule 206(4)- 6, the Adviser has established policies and procedures to address voting procedures and any conflicts of interests involved in a proxy vote between the Adviser and clients. The Adviser's proxy voting procedures are designed to ensure that proxies are voted in a manner that is in the best interest of the clients.

The Adviser will provide any proxy voting policies and information about any proxies that are voted upon the written request of any investors to the Chief Compliance Officer by means of contact specified on the cover page.

Item 18 – Financial Information

This item is not applicable. Phoenician is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its Clients and has not been the subject of a bankruptcy petition at any time during the past ten years.