

DISCLOSURE BROCHURE

(Form ADV, Part 2A)

MAY 2012

TPH ASSET MANAGEMENT LLC

File No. 801-71886

1111 BAGBY STREET, SUITE 2350

HOUSTON, TX 77002

This brochure provides prospective clients with information about TPH Asset Management LLC ("TPHAM") that should be considered before or at the time of obtaining advisory services from TPHAM. If you have any questions about the contents of this Brochure, please contact us at 713-333-7692. 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 TPHAM also is available on the SEC's website at www.adviserinfo.sec.gov.

TPH Asset Management LLC is a registered investment adviser but that registration does not imply a certain level of skill or training.

Item 2 Material Changes

This Disclosure Brochure (the “Brochure”) represents the Firm’s Form ADV Part 2A pursuant to the SEC’s new rules adopted in 2010.

Changes Reflected As of May 29, 2012

- Item 4.E. – General Description of the Firm - *(added language)* The Firm also serves as a managed account adviser to the Topwater Opportunity Qualified Fund LP.
- Item 7 - Types of Clients – *(amended language)* Currently, all of the invested capital managed by the Firm is in the Funds and in a managed account that is part of the Topwater Opportunity Qualified Fund LP.
- Item 10.C.2. - Material Relationships or Arrangements with Industry Participants – *(added language)* The Firm also serves as a managed account adviser to the Topwater Opportunity Qualified Fund LP.
- Item 10.D. – Material Conflicts of Interest Relating to Other Investment Advisers – *(added language)* The Firm also serves as a managed account adviser to the Topwater Opportunity Qualified Fund LP, whose investment adviser is Topwater Capital Partners.

Item 3 Table of Contents

Please retain a copy of this brochure for your records.

**TPH Asset Management LLC
January 2012**

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Item 4 Advisory Business

A. General Description of the Firm

The Firm is a Delaware limited partnership formed in 2008 and became a registered investment adviser with the Securities and Exchange Commission in November 2010. The Firm is wholly-owned by Tudor, Pickering, Holt & Co., LLC. Tudor, Pickering, Holt & Co., LLC has only one member with an ownership percentage in excess of 25%, Tudor Capital Partners, LLC. Robert B. Tudor, CEO of Tudor, Pickering, Holt & Co., LLC, owns over 75% of Tudor Capital Partners, LLC.

The Firm is under common control with Tudor, Pickering, Holt & Co. Securities, Inc. ("TPHSI"), a FINRA registered broker-dealer, TPH Energy Equity Parallel Fund Management, LLC, TPH Energy Equity Fund Management, LLC, and TPH Asset Management Ultimate GP, LLC. Certain registered representatives of TPHSI are also employees of the Firm. The Firm uses research and analysis from TPHSI in making investment decisions on behalf of its Clients.

The Firm provides discretionary investment advisory services to TPH Energy Equity Parallel Fund, LP, TPH Energy Equity Master Fund, LP, TPH Energy Equity Fund, LP, TPH Energy Equity Offshore Fund, LP, TPH Energy Equity Long Strategy Master Fund, LP, TPH Energy Equity Long Strategy Fund, LP and TPH Energy Equity Market Neutral Fund LP (each a Fund and collectively, the "Funds"), as well as to separately managed accounts based on their respective investment objectives and risk tolerance. The Firm also serves as a managed account adviser to the Topwater Opportunity Qualified Fund LP.

B. Description of the Firm's Services

The Firm offers investment advisory services and manages discretionary investment accounts of institutional clients, high net worth clients and the Funds under various fee arrangements. (For purposes of this Brochure, institutional clients, high net worth clients and Funds are referred to in this document individually as a "Client" and collectively as the "Clients".) The Firm tailors its advisory services as described in the investment program of the relevant Client's private placement memorandum or as set forth in such Client's organizational documents and/or as set forth in the investment management agreement with such Client. Persons reviewing this Form ADV Part 2A should not construe this Brochure as an offering of any of the Funds described herein, which will only be made pursuant to the delivery of a private placement memorandum to prospective investors.

C. Availability of Customized Services for Individual Clients

The Firm manages each Client's portfolio according to the terms of each Client's stated investment objectives and guidelines as outlined in their respective offering document, organizational document and/or investment management agreement. In the event a Client chooses to utilize the Firm for separately managed account services in lieu of investment in a Fund, the separately managed account services will be individually tailored to the Client's needs.

D. Wrap Fee Program

Our Firm does not participate in wrap fee programs.

E. Assets Under Management

The Firm currently manages on a discretionary basis \$104,504,631 in assets (as of December 31, 2011).

Item 5 Fees and Compensation

A. Fees and Compensation

For the TPH Energy Equity Parallel Fund, LP, TPH Energy Equity Master Fund, LP, TPH Energy Equity Fund, LP, and TPH Energy Equity Offshore Fund, LP, TPHAM charges investment management fees of 2% per annum of assets under management to each Fund. TPHAM also charges an annual performance fee of 20% of any profits in the Funds. TPHAM reserves the right to negotiate these fees from time to time. For the TPH Energy Equity Long Strategy Master Fund, LP and TPH Energy Equity Long Strategy Fund, LP, TPHAM charges an investment management fee of 1% per annum of assets under management. For the TPH Energy Equity Market Neutral Fund LP, TPHAM charges Classes A and C units a 1.5% investment management fee and an annual performance fee of 15% of any profits in the Fund and charges Class B units a 2% investment management fee and an annual performance fee of 20% of any profits in the Fund. TPHAM reserves the right to negotiate these fees from time to time.

With respect to a separately managed account, the Firm will generally charge, on a monthly basis, asset-based fees at an annual rate between 1% and 2% of the separately managed account's net asset value, and annual performance fees in the amount of 20% of any increase in the net asset value of the separately managed account as of the end of each calendar year.

B. Payment of Fees

TPHAM bills the Funds for its fees. The investment management fees are billed to the Funds monthly in advance. The performance fee is charged annually in arrears.

C. Additional Fees and Expenses

The Funds managed by TPHAM incur a variety of fund related expenses, for example: audit, legal, tax, administrator and custodian fees are some but not all of the expenses that the Funds may incur.

D. Prepayment of Fees

Fees are billed by the Funds and incurred by investors on a monthly basis, monthly in arrears.

E. Additional Compensation and Conflicts of Interest

None of the Firm's employees accept compensation for the sale of securities or other investment products to our Clients. Our employees only engage in the provision of investment advisory services to our Clients and the placement of our Client Funds with investors. The Firm's employees that are engaged in the placement of our Client Funds with investors are also registered representatives of our related person, Tudor, Pickering, Holt & Co. Securities, Inc. Our employees receive no special selling compensation for the placement of our Client Funds.

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

The Firm (and/or its affiliated entities) will charge performance-based fees/allocation for certain of its managed accounts and Funds – that is, fees based on a share of capital gains on or a capital appreciation of the assets of a Client (such as a Client that is a hedge fund). Clients should be aware that a performance-based fee/allocation may be deemed to create a conflict of interest for the Firm as there can be an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of a performance fee/allocation. Further, in situations where certain Clients pay performance fees/allocation and other Clients do not, there can be an incentive for the Firm to allocate more likely profitable transactions to those Clients that pay performance fees/allocation. To seek to address this inherent conflict, the Firm has implemented trade allocation policies and procedures that seek to ensure that investments are allocated fairly and equitably among Clients in accordance with such Clients' investment programs, objectives and investment restrictions.

Client portfolios are regularly reviewed by the Firm's President/Chief Operating Officer as well as the Head of Asset Management in order to help ensure that all transactions are being allocated in a manner that the Firm believes to be in the best interests of all Clients. The Firm's Chief Compliance Officer also regularly reviews the Firm's trading.

Item 7 Types of Clients

As noted above, the Firm and its affiliated entities offer investment advisory services to and manage discretionary investment accounts of institutional investors, high net worth investors and the Funds under various fee arrangements. Currently, all of the invested capital managed by the Firm is in its Funds and in a managed account that is part of the Topwater Opportunity Qualified Fund LP.

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

A. Methods of Analysis and Investment Strategies

The Firm utilizes a fundamental approach to its analysis with a “bottoms up” investment style. The Firm seeks to identify securities for its Clients (the Funds) that will perform in various cyclical investment environments. Specific quantitative measures such as the price/earnings ratio, the price/cash flow ratio, the enterprise multiple (enterprise value/EBITDA) and the price/net asset value ratio will be the primary sources utilized by the Firm in its assessment of a company’s value. The Firm also looks at other factors such as earnings per share growth (erosion) in determining a stock’s theoretical value as compared to its actual market value. The Firm assesses each company in which it seeks to invest for its Clients (the Funds) and focuses on qualitative factors as well such as information flow, specific and pending catalysts, as well as the Firm’s own internal assessment of a company’s management effectiveness. The Firm relies on proprietary information and tools developed internally to guide its investment decisions.

The Firm focuses on attaining its Clients’ (the Funds) investment objectives by utilizing a long-short investment strategy and by investing primarily in the equity securities of companies that are principally engaged in energy and energy-related industries. The Firm may also invest for its Clients (the Funds) in equity derivatives and index futures as well as currency instruments utilized to hedge foreign currency exposure.

B. Risks Relating to Investment Strategies

For a more detailed and complete discussion of risks involved with investment in the Firm’s Funds, please refer to the private placement memoranda that is provided to a qualified investor considering and investment in the Funds.

General Investment Risks

All investments made by the Firm on behalf of its Clients risk the loss of capital. The Firm believes that its investment program and research techniques moderate this risk through a careful selection of securities and other financial instruments. However, there can be no guarantee or representation that the Firm’s investment program will be successful. Furthermore, depending upon a Client’s investment mandate, the Firm’s investment program may utilize such techniques as margin transactions, short sales, leverage and the use of derivative instruments, which can, in certain circumstances, magnify adverse impacts.

General Risks Related to the Funds

The value of the Funds’ interests may be affected by withdrawals by investors in the Funds. There can be no assurance of cash distributions or appreciation of investment. The Funds may provide in-kind distributions in the event of liquidation. The Funds do not have an operating history and will face competition in the marketplace. Turnover and transaction costs could be above-average compared to other private investment funds. The Funds performance allocation is based on realized and unrealized appreciation of the assets of the Funds. Investors are relying on the general partner and the Firm for the investment of the Funds. Exculpation and indemnification could operate to make it more difficult for the Funds’ investors to challenge actions taken by the general partner or the Firm. The Funds face institutional risk stemming from the brokerage firms and banks with whom the Funds interact. The Funds master-feeder structure may present certain unique risks to investors. The Funds may face contingent liabilities in the future. The Funds provide no government guarantee and there are legal, tax and regulatory risks that may affect the Funds’ performance. The Funds are offered in a private offering and are not subject to the vast majority of the provisions of the Investment Company Act of 1940.

Energy Market Risk

Energy markets may be subject to short-term volatility due to a variety of factors, including weather,

international political and economic developments, breakdowns in the facilities for the production, storage or transport of energy and energy-related products, acts of terrorism, changes in government regulation and sudden changes in fuel prices. Energy markets may also be adversely affected by foreign, federal or state regulations governing energy production, distribution and sale.

Industry Concentration Risk

The Funds are invested primarily in the equity securities of companies that are principally engaged in energy and energy-related industries. Therefore, the Funds may not be as diversified as some others.

Mid-Capitalization Companies

The Funds may focus on the equity securities of mid-capitalization companies. Investments in such companies may be riskier than investments in larger, more established companies.

Derivative Instruments

The use of derivative instruments involves a variety of material risks, reflecting the often extremely high degree of leverage embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or limit losses.

Purchase and Sale of Options

The purchase and sale of options involves certain risks aside from the normal risks associated with trading in common stocks. Options trading may itself be illiquid at times, irrespective of the condition of the market of the underlying instrument.

Hedging Transactions

Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value.

Short-Selling

A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase.

Index Contracts

Index Contracts include strategies that may be executed through the use of exchange-traded equity index options or futures contracts or options thereon, standardized or individually negotiated OTC contracts or other forms of derivative contracts. Index Contracts have risks associated with them, including, without limitation, possible default by the other party to the transaction, illiquidity and, to the extent the holder's view of such Index Contract as to certain market movements is incorrect, the risk that the use of such index contracts could result in losses greater than if they had not been used.

Use of Leverage

Borrowing and the use of leverage create an opportunity for greater appreciation, but also entail a risk of greater loss, in the value of the Fund's assets.

Market Dislocation

Economic recessions or downturns could impair the Funds' investments and harm its investment performance.

Highly Volatile Markets

Price movements of forward contracts, futures contracts and other of Fund assets may be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

Non-US Investments

Such investments require consideration of certain risks typically not associated with investing in US securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the US or foreign governments, US and non-US withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations.

Concentration of Investments

The Funds' portfolios may be concentrated in a limited number of investments and as a result the Funds' investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return.

Limited Liquidity of the Interests and Certain of the Fund's Investments

An investment in the Funds provides limited liquidity due to the limited transferability of the Fund interests. The liquidity of the Funds may fluctuate over time and will likely be affected by factors such as market events and the pace of investment inflows and withdrawals. The Funds may, from time to time, hold illiquid positions, which might affect the overall liquidity of the Funds.

Investment Banking Activities

In the course of its investment banking or other activities, TPHSI and its affiliates may acquire confidential or material non-public information. Appropriate information barriers are in place to prevent the flow of information between the Firm and TPHSI. In connection with the investment banking activities at TPHSI, TPHSI may receive underwriting fees or other compensation from issuers of securities purchased, held or sold in the Firm's Client accounts. In no event is the Firm obligated to effect any transaction that it believes would violate applicable federal or state law, or the regulations of any regulatory or self-regulatory body.

Item 9 Disciplinary Information

The firm does not have any disciplinary items to report as set forth more fully below.

A. Criminal or Civil Proceedings

1. There has not been a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the firm or a management person was convicted of or plead guilty or nolo contendere to any felony, a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion or conspiracy to commit any of these offenses.
2. There has not been a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the firm or a management person was named the subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses.
3. There has not been a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the firm or a management person was found to have been involved in a violation of an investment-related statute or regulation.
4. There has not been a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the firm or a management person was the subject of any order, judgment or decree permanently or temporarily enjoining, or otherwise limiting, the firm or a management person from engaging in any investment –related activity, or from violating any investment-related statute, rule or order.

B. Administrative Proceedings Before Regulatory Authorities

1. There has not been an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority in which the firm or a management person was found to have caused an investment-related business to lose its authorization to do business.
2. There has not been an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority in which the firm or a management person was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority for any of the following:
 - a. denying, suspending, or revoking the authorization of our firm or a management person to act in an investment-related business.
 - b. barring or suspending our firm's or a management person's association with an investment-related business.
 - c. otherwise significantly limiting our firm's or a management person's investment-related activities.
 - d. imposing a civil penalty of more than \$2,500 on our firm or a management person.

C. Self-Regulatory Organization (SRO) Proceedings

1. there has not been a self-regulatory organization proceeding in which our firm or a management person was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of the self-regulatory organization's rules and was (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities or (iii) fined more than \$2,500.

Item 10 Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status

Our Firm is not registered as a broker-dealer. However, several of our management persons are dually employed with our related broker-dealer, Tudor, Pickering, Holt & Co. Securities, Inc.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

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

C. Material Relationships or Arrangements with Industry Participants

Listed below are the nature of any relationships to our business or to our clients that the Firm or any management person has with any noted related person:

1. **broker-dealer, municipal securities dealer, government securities dealer or broker** – Our firm is wholly owned by Tudor, Pickering, Holt & Co., LLC which also wholly owns Tudor, Pickering, Holt & Co. Securities, Inc., a registered broker-dealer.
2. **investment company or other pooled investment vehicle** – Our firm is the investment advisor to: TPH Energy Equity Parallel Fund, LP, TPH Energy Equity Master Fund, LP, TPH Energy Equity Fund, LP, TPH Energy Equity Offshore Fund, LP, TPH Energy Equity Market Neutral Fund LP. The Firm also serves as a managed account adviser to the Topwater Opportunity Qualified Fund LP.
3. **other investment advisor or financial planner** – We do not have any such relationship.
4. **futures commission merchant, commodity pool operator, or commodity trading advisor** – We do not have any such relationship.
5. **banking or thrift institution** – We do not have any such relationship.
6. **accountant or accounting firm** – Our Director of Finance, Jill Vacek, is a Certified Public Accountant.
7. **lawyer or law firm** – Our Chief Compliance Officer, Ed Balsmann, is an attorney.
8. **insurance company or agency** – We do not have any such relationship.
9. **pension consultant** – We do not have any such relationship.
10. **real estate broker or dealer** – We do not have any such relationship.
11. **sponsor or syndicator of limited partnerships** – We do not have any such relationship.

Our Firm is a wholly owned subsidiary of Tudor, Pickering, Holt & Co., LLC. Our related persons include:

- Tudor, Pickering, Holt & Co. Securities, Inc. – a registered broker-dealer;
- Tudor, Pickering, Holt & Co. Advisors, LLC – a registered broker-dealer;
- Tudor, Pickering, Holt & Co. International, LLP – a limited liability partnership registered in England and Wales (registered number OC349535) which is authorized and regulated by the Financial Services Authority.
- TPH Partners Management, LLC – a private equity exempt registered adviser.

Various potential and actual conflicts of interest may exist that would affect the Firm's service to its Clients. The Firm endeavors to resolve all conflicts of interest through eliminating the conflict or mitigating the conflict through instituting controls and/or a system of disclosure. Some of the conflicts that may exist at the Firm in relation to its relationship with TPHSI include:

- The Firm, its affiliates and/or their personnel may maintain business relationships with investors in the

Funds, shareholders of companies in which the Firm's Clients may invest and/or the Firm's advisory Clients.

- The Firm, its affiliates and/or their employees may purchase or otherwise acquire an interest in an investment on terms different from, and more favorable than, those on which a Client of the Firm may purchase such interest.
- The Firm may be incentivized to invest Client assets in a security or issuer in which the Firm, its affiliates and/or their employees have some financial interest.
- Certain Firm personnel work at the Firm's affiliated broker-dealer, TPHSI.
- Firm personnel may have business or family relationships with individuals that work at other companies with which the Firm conducts or seeks to conduct business.
- The Firm may, from time to time, accept referrals from employees of its affiliated broker-dealer, TPHSI. In such instances, appropriate disclosure regarding this relationship is provided to the referred individual or entity.
- The Firm may possess, through TPHSI, material non-public information about issuers and their portfolios. The Firm and TPHSI have appropriate information barriers in place to prevent the sharing of such information between the two affiliated entities.
- The Firm, its affiliates (including TPHSI), and/or employees may take a conflicting position for themselves or the account of others, in a security or investment held by the Funds.
- The Firm's affiliates may offer services to or enter into transactions with the Firm's Clients.
- Regulatory requirements and/or internal policies of the Firm (based on, for example, the Firm's affiliation with TPHSI) may limit the advice the Firm is able to provide to its Clients.
- TPHSI could act as an underwriter of an offering in which a Firm Client participates (either as a party or as an investor in the subject company).
- TPHSI could act as agent for a Firm Client in a transaction.
- TPHSI could act as agent for a counter-party in a transaction with a Firm Client.
- The Firm could invest its Clients' assets in securities of companies that receive brokerage services from TPHSI.

The Firm makes every effort to monitor potential conflicts from becoming actual conflicts. In the event an actual conflict exists, the Firm will seek to eliminate the conflict or mitigate it through appropriate disclosures.

D. Material Conflicts of Interest Relating to Other Investment Advisers

- We do not recommend or have business relationships with any investment advisers for our Clients. The Firm also serves as a managed account adviser to the Topwater Opportunity Qualified Fund LP, whose investment adviser is Topwater Capital Partners.

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

A. Code of Ethics

The Firm maintains a Code of Ethics in order to set forth applicable policies, guidelines and procedures that promote ethical practices by all Firm employees.

As a fiduciary, the Firm owes an undivided loyalty to its Clients, and thus demands the highest standards of ethical conduct and care by all of its employees. It is the Firm's policy that all employees conduct themselves so as to avoid not only actual conflicts of interest with the Firm's Clients, but also that they refrain from conduct which could give rise to the appearance of a conflict of interest that may compromise the trust our Clients have placed in us.

The Firm requires that all of its employees observe the applicable standards of care set forth in the Code of Ethics and not seek to evade the provisions of the Code or the "spirit" of its requirements in any way, including indirect acts by family members or other associates.

The Firm's Code of Ethics sets forth various restrictions on employee trading and the Firm requires its employees to provide it with duplicate statements of brokerage account activity with respect to personal securities transactions. The Firm monitors employee trading through the receipt of these statements.

The Firm's Code states that employees should not accept inappropriate gifts, favors, entertainment, special accommodations, or other things of material value from a person that conducts business with or provides services to the Firm, who may do business or is being solicited to do business with the Firm or who is associated with an organization that conducts or seeks to do business with the Firm (a "Business Associate") who could influence their decision-making or make them feel beholden to the Business Associate. Employees also should not offer gifts, favors, entertainment or other things of value that could be viewed as overly generous or aimed at influencing decision-making or making a Business Associate feel beholden to the Firm or the employee.

Included in the Firm's Code of Ethics and in other written policies, are policies the Firm maintains regarding the dissemination of material non-public information. Such policies seek to control the flow and potential misuse of material non-public information.

A copy of the Firm's Code of Ethics will be provided to any client or prospective client upon request.

B. Securities That You or a Related Person Has a Material Financial Interest

The Firm may purchase or sell for its Clients securities of an issuer in which the Firm, its affiliates, principals, employees and/or related persons also have a financial position or interest. This can create a conflict of interest due to the perception that the Firm is recommending a particular security because of a financial interest held by the Firm, its affiliates, principals, employees and/or related persons. The Firm has adopted policies and procedures reasonably designed to ensure that its activities are carried out in compliance with applicable regulatory requirements and to minimize potential conflicts of interest. In addition, the Firm has no obligation to recommend for purchase or sale by Clients any investment that the Firm's principals, employees and/or related persons may purchase for themselves or for other investors and Clients.

C. Investing in Securities That You or a Related Person Recommends to Clients

The Firm may recommend the purchase or sale for its Clients securities of an issuer in which the Firm, its affiliates, principals, employees and/or related persons may also invest. This can create a conflict of interest due to the perception that the Firm is recommending a particular security because of a financial interest held by the Firm, its affiliates, principals, employees and/or related persons. The Firm has adopted policies and procedures reasonably designed to ensure that its activities are carried out in compliance with

applicable regulatory requirements and to minimize potential conflicts of interest. In addition, the Firm has no obligation to recommend for purchase or sale by Clients any investment that the Firm's principals, employees and/or related persons may purchase for themselves or for other investors and Clients.

D. Conflicts of Interest Created by Contemporaneous Trading

The Firm may engage in securities transactions and investment strategies for one Client that may be different to the transactions and strategies done on behalf of another Client. These types of investments may be deemed to create conflicts of interest since the Firm may take certain actions for some Clients that may have an adverse effect on other Clients. In such cases, the Firm will seek to act in a manner it reasonably believes to be as equitable as possible to all Clients under the circumstances.

Item 12 Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

In selecting broker-dealers to effect transactions for its Clients, the Firm, as a fiduciary to its clients, will endeavor to seek best execution on an overall basis. In attempting to achieve best execution, the Firm will not necessarily seek to pay the lowest compensation, but rather will seek the best overall qualitative execution. The Firm creates (and periodically reviews and revises) a list of approved broker-dealers that may execute Client trades (and a non-approved broker-dealer may only be used to execute Client trades in the case that a determination is made that using a non-approved broker-dealer is in the Client's best interest). In compiling (and revising) this list, the Firm considers: input from its portfolio managers, traders and others; establishing an acceptable compensation range for trades; information about the compensations paid over the previous quarters, including to the extent whether the compensation exceeded the acceptable, pre-established range and the circumstances that caused the deviation; and statistical and other information from consultants and vendors on the execution capabilities of broker-dealers. Broker-dealers included on the Firm's list of approved broker-dealers will be selected based upon their speed of execution, potential for price improvement, potential for size improvement, amount of compensation to be paid to broker-dealers, research and brokerage and soft dollars, quality of overall execution services, expertise, financial condition and skill, subject at all times to principles of best execution. When selecting broker-dealers to execute Client trades, the Firm will be sensitive to the following conflicts of interest, and, where necessary, will address such conflicts of interest by disclosure, Client consent or other appropriate action: (i) the receipt of soft dollars from a broker-dealer; and (ii) receiving IPO allocations from a broker-dealer. The Firm may enter into a soft dollar arrangement with an affiliated broker-dealer (including, without limitation, TPHSI), provided the Firm provides detailed information about such arrangement to its Clients, including specific information about the nature of the conflict of interest. The Firm will not participate in any soft dollar arrangements whereby it receives research or brokerage in connection with principal transactions for its Clients.

The Firm may receive in respect of Clients' portfolio transactions products and services of the type contemplated by Section 28(e) of the Securities Exchange Act of 1934, (i.e., research and brokerage), although the transactions effected by the Firm on behalf of its Clients may or may not otherwise comply with the provisions of Section 28(e). Research products and services acquired via "soft dollars" may be in any form (e.g., written, oral or on-line) and may include, without limitation, traditional research reports analyzing the performance of a particular company or stock, market, company and financial data, consultant services related to portfolio management and seminars and conferences relating to the investment in securities or containing analyses of issuers, industries, securities, economic factors and trends and portfolio strategy. Brokerage products and services acquired via "soft dollars" may include, without limitation, post-trade matching of trade information, exchanges of messages among broker-dealers, custodians and institutions related to the securities transaction, lines between a broker and order management system operated by a third-party vendor, trade software to route orders to market centers and connectivity services between the Firm and the broker and other relevant parties, such as a custodian.

In some cases, a product or service acquired in a soft dollar arrangement may have both research and/or brokerage and non-research and/or non-brokerage qualities. When the Firm acquires mixed-use products or services in a soft dollar arrangement, it shall: (i) analyze whether such products or services are (a) research and/or brokerage, (b) non-research and/or non-brokerage or (c) a mix of research and non-research and/or brokerage and non-brokerage; (ii) for mixed-use products or services, determine which part (percentage) of the product or service constitutes research and/or brokerage, and which part constitutes non-research and/or non-brokerage, according to its anticipated uses and other factors (e.g., percentage of time used for research and/or brokerage and non-research and/or non-brokerage activities); (iii) pay for the research and/or brokerage component of the product or service with soft dollars and the non-research and/or non-brokerage component of the product or service with hard dollars (i.e., the Firm's own funds); and (iv) create records demonstrating the allocation and rationale for the particular allocation. In making the determination of what part of the product or service constitutes research or brokerage and what part is for non-research, and non-brokerage the Firm may consider such factors as it deems appropriate, from time

to time, including, among others: (i) the amount of time the Firm uses the mixed use product or service for research and/or brokerage purposes versus non-research and/or non-brokerage purposes; (ii) the relative utility (measured by objective metrics) to the Firm of the research and/or brokerage purposes versus non-research and/or non-brokerage purposes; and (iii) the extent to which the mixed use product or service is redundant with other products or services employed by the Firm for the same purpose(s). The receipt of “mixed use” products and services and the determination of the appropriate allocation creates a potential conflict of interest between the Firm and its Clients.

The Firm does not adhere to any rigid formulas in making the selection of brokers, but weighs a combination of the preceding criteria. The Firm has no fixed internal brokerage allocation procedures designating specific percentages of brokerage compensation to particular firms. In recognition of the value of products and services provided by a broker, the Firm may effect securities transactions which cause the Funds to pay the broker an amount of compensation in excess of the amount of compensation another broker would have charged.

It is not the Firm’s practice to negotiate “execution only” transaction costs (e.g., commission rates), thus, a Client may be deemed to be paying for other products and services provided by the broker-dealer which are included in the compensation charged. In exchange for the direction of compensation to certain broker-dealers, credits are generated which may be used by the Firm to pay for the products and services provided by, or paid for by, such broker-dealers. To the extent a particular Client’s portfolio transactions generate such credits or products and services are provided, the Firm will be receiving a benefit by reason of the direction of compensation.

Products and services may be used by the Firm and its affiliates for themselves and/or in servicing some or all of their Clients. In addition, some products and services may not necessarily be used by the Firm in respect of a particular Client even though its compensation dollars provided for the products and services. That Client, therefore, may not, in any particular instance, be the direct or indirect beneficiary of the products or services provided.

The relationships with brokerage firms that provide “soft dollar” products and services to the Firm may influence the Firm’s judgment in allocating brokerage business and create a conflict of interest in using the services of those broker-dealers to execute Client brokerage transactions.

B. Order Aggregation

The Firm’s trade aggregation policies and procedures are designed to promote fairness among its Client accounts and to conform to applicable laws and regulatory principles. Whenever feasible, trade orders will be aggregated when the Firm desires to purchase or sell the same security for multiple Clients. Prior to aggregating any Client’s trades, the Firm will obtain consent from the Client (through either the investment advisory contract with the Client or in a separately written agreement). Orders of two or more Clients may be aggregated only if the applicable portfolio manager determines, on an individual Client basis, that the securities order is: (i) in the best interests of each Client participating in the order; (ii) consistent with the Firm’s duty to obtain best execution; and (iii) consistent with the terms of the investment advisory contract of each participating Client. The price of the securities purchased or sold in an aggregate order will be at the average share price for all transactions of the Clients in that security on any given day, with all transaction costs shared on a pro rata basis. The allocation of securities obtained in an aggregated securities order will be made in accordance with the Firm’s Trade Allocation Policies and Procedures (see below). A Client trade will be aggregated with an employee trade or trade by an affiliated account only if the following conditions are met: (i) Client trades are treated equally with employee and affiliated account trades; (ii) each affiliated and non-affiliated participant in the trade will receive average execution and average commissions; (iii) securities purchased or sold will be allocated pro rata; and (iv) the practice of aggregating client trades with those of the Firm’s employees and affiliated accounts is disclosed in each Client’s investment advisory contract as well as described here.

The Firm’s Trade Allocation Policies and Procedures have been designed to ensure that buy and sell opportunities are allocated fairly among the Firm’s Clients and that, over time, all Clients are treated

equitably, and that any differences in trades are not intended to give preferential treatment to any particular Client. The Firm's Trade Allocation Policies and Procedures also seek to ensure reasonable efficiency in Client transactions and to provide the Firm's portfolio managers with the flexibility to use allocation methodologies appropriate to their investment discipline and the Client's investor base. Aggregated orders will generally be allocated by order size on a pro rata basis, subject to the following exceptions: (i) if the Firm is not able to completely fill an aggregated order for a security, the completed orders will generally be allocated pro rata based on the order size; (ii) if the Firm is unable to execute limited orders, the market orders are filled, with allocation pro rata among only the Clients submitting market orders; (iii) if several Clients seek to buy as many securities of the same issuer as they can, the Firm will allocate the securities acquired by the size of assets of each Client's account; (iv) if several Clients seek to sell as many securities of the same issuer as they can, the Firm will allocate the securities sold based on the total size of each Client's position in that security; and (v) in cases where Client accounts would receive less than the desirable number of shares as judged by the Firm, the aggregated trade may be allocated by the Firm to Client accounts on a random basis (using a computer software program or other fair system). The Firm or one of its portfolio managers or traders may make an allocation of an aggregated trade on a basis other than pro rata if: (i) it is in the best interests of Clients; (ii) an appropriate reason for the deviation from pro rata allocation exists, including a Client has a unique or specialized investment objective that emphasizes investment in a particular category of securities and the security being acquired meets that investment objective and falls within that category, the allocation would be too small to establish a meaningful position for the Client in that security or the allocation would result in an account receiving an odd lot; (iii) all participating Clients in the aggregated order are treated fairly and the variation from a pro rata allocation does not result in an unfair advantage or disadvantage to a Client, or unfairly advantage the Firm; and (iv) the portfolio manager or trader responsible for the deviated allocation describes in writing an explanation for the deviation on the order's trade ticket. The price of the securities allocated shall be the average share price for all transactions of the Firm's clients in that security on a given day, with all transaction costs to be shared on a pro rata basis.

The relevant portfolio manager will review each allocation of trades to ensure that the Firm's Trade Allocation Policies and Procedures were followed and to verify that no Client account was systematically disadvantaged by the allocation. If, for any reason, aggregated trades must be revised (other than a partial fill) after the trades are executed and allocated: (i) the trade ticket applicable to such trades will be revised; (ii) an explanation for the revision will be included on the trade ticket; (iii) the word "revised" will be placed on the trade ticket; and (iv) the relevant portfolio management will request the Chief Investment Officer or Chief Compliance Officer to authorize the revision by signing the trade ticket.

C. Trade Errors

In the event of a trading error, to address these types of situations and the potential conflicts of interest that may arise, the Firm has guidelines that are utilized to identify and correct trading errors by the Firm. It is the Firm's policy that with respect to any errors, Clients will not be responsible for any losses that are caused by the Firm. The Firm will consider a number of factors in determining how to best resolve an error. For example, the Firm may sell the position or it may seek to reallocate the position to another Client (when and if such transaction is in the best interest of all affected Clients and losses are not borne by any Clients).

Item 13 Review of Accounts

A. Frequency and Nature of Review of Client Accounts or Financial Plans

The Firm's President/Chief Operating Officer or the Firm's Head of Asset Management review all client accounts monthly by reviewing their individual statements. The Firm's Chief Compliance Officer reviews all client accounts at least quarterly through report reviews and review of individual statements.

B. Factors Prompting Review of Client Accounts Other than on Period Review

In addition to the regular reviews noted above, both the Director of Operations and the Chief Compliance Officer will review specific trading to the extent specific circumstances arise, such as in the case when a question as to whether a proposed allocation may create a conflict of interest or if a trading error occurs.

C. Content and Frequency of Account Reports to Clients

Written statements are produced monthly and then sent directly by the independent administrator to the Client (the Funds) and investors in the Funds.

Item 14 Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to Clients

Other than the information provided in this Brochure, no other person, other than Clients, provide any economic benefit to the Firm for providing investment advice or other advisory services to its Clients.

B. Compensation to Non-Supervised Persons for Client Referrals

As of August 2, 2011, the Firm has entered into a client referral agreement with Energy Alpha Strategies, Ltd. (EAS) whereby EAS provides investor referrals and introductions of non-U.S. persons to the Firm on behalf of our offshore Client Funds. EAS also provides investor referrals and introductions of both U.S. persons and non-U.S. persons to the Firm for the provision of investment advisory services. The Firm or the General Partner of the particular Client Fund pays EAS for client referrals resulting in a client investment. The referral fee paid to EAS is a percentage of the management, incentive and performance fees paid to or received by the Firm from investors referred by EAS. The referral fee may be up to as much as 20% of the management, incentive and performance fees paid to or received by the Firm.

Item 15 Custody

Our Firm does not maintain custody of Client investments and assets, except with respect to certain Funds under management. With respect to the Funds, such Funds are subject to audit and deliver audited financial statements to their investors within 120 days' of the applicable fiscal year-end.

For the Funds, the Firm also provides performance reports monthly via email approximately 10 business days after the close of an accounting period. The Firm also provides reports monthly via email to any separately managed account holder within approximately 10 business days after the close of an accounting period.

Item 16 Investment Discretion

The Firm (and its affiliated entities) has been granted discretionary trading authority over its managed Clients (the Funds) through the investment management agreements with, or organizational documents of, the Clients.

Item 17 Voting Client Securities

The decision as to whether the Firm may vote Client securities is generally contained within a Client's investment management agreement or other Client related documentation. In regard to the Funds, the Firm will generally have authority to vote securities while that authority will be subject to individual negotiation on the part of separately managed accounts.

When voting proxies, the Firm will vote strictly in accordance with the best interests of the Client, taking into consideration each Client's investment strategy and objectives.

The Firm has engaged Institutional Shareholder Services ("ISS") as an independent third party proxy voting service to assist in the voting of Client proxies. ISS will provide the Firm with an analysis of proxy issues and vote recommendations based upon ISS's Voting Guidelines. ISS will generally vote proxies in accordance with the recommendations of company management to the extent the proposals maintain or strengthen the shared interests of shareholders and management; increase shareholder value; and maintain or increase the rights of shareholders. It is the Firm's intention that all proxies will be voted on in the best interests of the Firm's Clients. However, the Firm realizes that there are many complexities to proxy votes and has reserved the right to override ISS's recommendations and will vote against a proposal or recommendation of management if it determines, in its opinion, that such action is in the best interests of a Client. Should the Firm choose to override an ISS recommendation, a written record of such decision shall be maintained by the Firm. The Firm's Director of Operations monitors proxy voting matters and maintains the Firm's records regarding proxy votes.

The Firm's clients may obtain a complete copy of the Firm's Proxy Voting Policy and Procedures or information on how the Firm voted proxies, free of charge by submitting a written request to the Firm or by calling the Director of Operations on 713-337-4573.

Item 18 Financial Information

A. Pre-payment of Fees

Our Firm does not require prepayment of fees from its clients.

B. Financial Conditions Reasonably Likely to Impair Contractual Commitment Abilities

Our Firm does not have any financial condition reasonably like to impair our ability to meet our contractual commitments to our clients.

C. Bankruptcy Petitions During the Past Ten Years

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

Item 19 Requirements for State-Registered Advisers

Not applicable as we are not registered with any state securities authorities.