

DENHAM CAPITAL MANAGEMENT LP

BROCHURE

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January 26, 2016

This brochure provides information about the qualifications and business practices of Denham Capital Management LP. If you have any questions about the contents of this brochure, please contact us at legalnotices@denhamcapital.com. 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 Denham Capital Management LP is also available on the SEC's website at www.advisorinfo.sec.gov.

Registration as an investment adviser with the U.S. Securities and Exchange Commission does not imply a certain level of skill or training.

2. Material Changes

Since our last annual amendment on March 31, 2015, there have been the following material changes. This amendment further elaborates on the co-investment funds we advise, including revisions to Items 4 and 5. The brochure, was previously amended on September 23, 2015, to describe the new single-sector focused investment funds and to make corresponding changes to our allocation procedure (Item 6), cross transactions (Item 11) and aggregation (Item 12). That prior amendment also updated the description of our fee structure in Item 5 and our disclosures regarding relationships with other investment advisers in Item 10.

In addition to reviewing the material changes, we recommend clients review the entire brochure.

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4. Advisory Business

A. Description of Advisory Business

Founded in 2007, Denham Capital Management LP (“Denham”) is an investment advisory firm which specializes in investment management for private equity funds. The principal owner is Stuart Porter.

Denham offers investment advisory services only to affiliated private equity funds making investments in industries, companies and assets involving energy and commodities, in particular, oil & gas, mining and power (the “Energy Sector”). We advise our funds in making investments globally across all industries relating to the Energy Sector, all stages of the corporate and asset lifecycle and all segments of the capital structure. Denham is transitioning away from its multi-sector legacy funds to dedicated teams managing separate funds in each of Denham’s three primary Energy Sectors: Oil & Gas, Power and Mining. Each team is made up of sector specialists with deep expertise in their specific areas and is led by an investment committee. Each team focuses on driving value creation within its sector. Denham believes this singular focus creates alignment of our deal teams with our investors.

Denham’s clients also include certain co-investment vehicles that invest alongside the main private equity funds. Such co-investment vehicles might invest in a single investment or in all investments made in a particular sector or by a particular fund.

As used in this brochure, (i) “we,” “us” and “our” refer to Denham and its investment advisory business; and (ii) the “Denham funds” and “clients” refer to the Denham private equity funds we advise, including any co-investment vehicles we advise, except where noted.

B. Types of Advisory Services

Denham’s advisory services include commercial structuring and negotiation, independent risk management, portfolio company services, back office administration, legal and investor relations. We maintain discretionary investment authority for our clients, and all investment decisions on behalf of our clients are made by our investment committees, which typically comprise our senior professionals. Actions of our investment committees require the consensus of their voting members, and none of their members can take unilateral action on behalf of our clients. Denham generally focuses on a theme-driven investment approach, utilizing its knowledge of and experience in, and global relationships within, the Energy Sector to make investments. Denham also uses the experience of its deal teams to drive operational improvements at portfolio companies.

The relationship between Denham and each Denham fund is governed by the Investment Advisers Act of 1940, as well as the governing documents of each Denham fund and the terms of investment advisory agreements between each Denham fund and us. Investments in the Denham funds are privately offered to only qualified investors, which are typically institutional investors (for example, public and private pension funds) and eligible high-net-worth individuals.

The investment advice Denham provides to its clients is limited to the private equity investment program conducted by the Denham funds in the Energy Sector.

C. Tailoring of Advisory Services

Denham tailors its advisory services to the mandate and descriptions included, as applicable, in the private placement memorandums, partnership agreements, and other governing agreements of each of its clients. These documents may include restrictions on investing in certain securities or types of assets, including as specifically negotiated with investors of the Denham funds. Denham provides advice to its clients (i.e., the Denham funds), not the investors in those funds, and investors are expected to participate in the Denham fund's overall investment program.

Denham and its affiliates have entered (and may in the future enter) into agreements, or "side letters," with investors whereby such investors may be subject to terms and conditions that vary from those applicable to other investors in the Denham funds. Any such terms and conditions, including with respect to (i) opting out of particular investments, (ii) reporting obligations, (iii) transfers to affiliates, (iv) co-investment opportunities, (v) withdrawal rights, (vi) consent rights to certain governing document amendments, (vii) payment of management fees, carried interest and/or incentive allocation or (viii) any other matters, may be more favorable than those offered to other investors.

D. Wrap Fee Programs

Denham does not participate in wrap fee programs.

E. Client Assets

The amount of client assets that Denham manages on a discretionary basis, as of December 31, 2014 is \$5,624,791,463. As of December 31, 2014, Denham did not manage any client assets on a non-discretionary basis.

5. Fees and Compensation

A. Fees

This brochure will be delivered only to "qualified purchasers" as defined in the Investment Company Act of 1940. Accordingly, no fee table is included in this brochure.

B. How Fees are Billed

Below is a general summary of how Denham is compensated by its clients. Existing and prospective investors should refer to a fund's offering documents or other governing agreements for specific information related to that fund. Denham does not receive a management fee or carried interest from certain co-investment vehicles.

Denham is compensated for its advisory services through a quarterly fee based on a percentage of assets under management of each of its clients. This management fee generally ranges from 1% to 2% of assets under management and generally is reduced upon the end of a fund's commitment period. Investors of the Denham funds pay management fees via capital contributions called by Denham, based on their aggregate capital commitment to such Denham fund.

As explained in more detail in the offering documents of each client, the general partner receives 20% of distributions from investments ("carried interest") generally after 100% of capital contributions for investments and fund expenses are returned to investors of a client, together with a preferred return (typically, an 8% preferred return).

Employees of Denham who are investors of our clients do not pay management fees or carried interest. After payment of all overhead and expenses, Denham principals and persons will receive residual portions of the management fee, carried interest or other compensation received by Denham and its affiliates.

Denham charges the management fee described above on a quarterly basis. The performance-based fee, or carried interest, is distributed to Denham in accordance with the terms of the applicable partnership agreement of a Denham fund.

C. Other Fees and Expenses

Other fees may be paid to Denham or to a Denham fund's general partner, managing member, or affiliates. In particular, we and our affiliates may receive certain fees from portfolio companies in which the Denham funds invest such as break-up, monitoring, directors', organizational, setup, advisory, investment banking, underwriting, syndication and other similar fees in connection with the purchase, monitoring or disposition of investments or from un consummated transactions, including warrants, options, derivatives and other rights in respect of securities owned by the Denham Funds. All or a portion of the fund's pro rata share of these fees may offset the management fees otherwise payable by investors in the Denham funds, if any (certain co-investment vehicles will not share in such fees and the vehicles do not pay management fees). Historically Denham has not taken such fees, but reserves the right to do so. On occasion, Denham personnel or consultants retained by Denham may provide certain management services to (or with respect to) a portfolio company. In certain cases, such persons are employed or retained directly by the portfolio company. In other instances, Denham may initially pay these costs and subsequently be reimbursed by the applicable fund or portfolio company for compensation paid and other fees and expenses incurred by Denham with respect to such persons. Such compensation or other fees and expenses will not offset management fees.

Denham may have a conflict of interest to the extent, for example, it is incentivized to make an investment to earn a transaction fee or provide a service to a particular portfolio company to earn a director or monitoring fee. However, Denham believes that this potential conflict of interest is mitigated by the management fee offset mechanic described above and the substantial equity commitment made by Denham and its principals in each of the main Denham funds.

As explained in more detail in the applicable offering documents and other governing agreements of each of our clients, investors of our clients pay their pro rata share of all legal, accounting, filing and other organizational expenses incurred in organizing and raising capital for the client and any related vehicles, up to a specified maximum. Such expenses are borne by the investors of each client in the form of capital contributions. Additionally, a client will pay all expenses arising in connection with the organization and operations of a client including, without limitation, fees, costs and expenses related to the sourcing, investigation, identification, analysis, pursuit, negotiation, purchase, holding and sale of any actual or potential investments, fees, costs and expenses of information technology and systems related to accounting and reporting for the client and monitoring of portfolio investments, any insurance, indemnity or litigation expense, broken deal expenses, certain taxes and any fees or other governmental charges levied against a client. Such fees are paid via capital contribution by an investor of a client. Notwithstanding the foregoing, certain co-investment vehicles may not pay broken deal expenses.

To the extent permitted under the respective partnership agreement, Denham may elect to forego a portion of the management fee in favor of a right (a) to receive a priority interest in future distributions

of fund profits equal to the waived amounts or (b) to cause the investors to contribute such waived amounts to the fund on Denham's behalf, which reduces the amount of capital Denham would otherwise be required to contribute to the respective fund. As a result, the exercise of such waiver may result in an acceleration of investor capital contributions and may affect the management fee offset calculations.

D. Refunds

Investments in a fund are illiquid and investors of the Denham funds generally cannot redeem their interests. Upon termination of the investment advisory agreement with a Denham fund, however, we will return to such Denham fund any paid but unearned portion of the management fee. In general, such fees are pro-rated from the date of termination to the end of the period to which the advance fee applied.

E. Compensation for Sale of Securities

Neither Denham nor its supervised persons accept compensation for the sale of securities or other investment products. However, as noted above, we and our affiliates may receive certain fees from portfolio companies in which the Denham funds invest. All or a portion of these fees may offset the management fees otherwise payable by investors in the Denham funds.

6. Performance Based Fees and Side by Side Management

Denham typically receives performance based fees as outlined in Item 5(A), described as carried interest, although as noted above certain co-investment vehicles do not pay carried interest. Carried interest is negotiated separately for each Denham fund at a market standard rate in the private equity industry and set forth in each Denham fund's respective partnership agreement and offering documents.

Performance fee arrangements may create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. We have designed and implemented procedures to procure that all clients are treated fairly in the allocation of investment opportunities and to prevent this potential conflict of interest from influencing the allocation of investment opportunities among or between our client funds.

Our investment allocations are documented as part of our regular investment processes, taking into account the size of the investment opportunity, the capital available for investment by each client, the potential need for follow on investments or reserves, the sharing rules set forth in the applicable governing agreements, the terms of the governing documents of the applicable Denham funds and any other factors Denham may consider relevant.

Generally Denham is allocating investment opportunities to clients based on their specific sub-Energy Sector focus. Thus, among the single-sector focused Denham funds, Denham does not foresee an overlap in the investment strategies (with the exception of co-investment vehicles, which will be made in accordance with the respective partnership agreements). Due to fundraising and timing issues, Denham may, for a limited period of time, allocate opportunities to multiple clients. In those instances, Denham abides by all applicable provisions in the partnership agreement of each client and seeks consent of the limited partners or advisory committee as necessary. For instance, oil and gas opportunities, and related expenses, are currently being allocated between Denham Commodity Partners Fund VI LP ("Fund VI") and DCPF Oil and Gas Coinvestment Fund LP ("O&G Coinvest") in accordance with the consent of the Advisory Committee of Fund VI and the governing documents of O&G Coinvest. Similarly, until the expiration or cancellation of the commitment period for Fund VI, any investment opportunity within its investment

program will be apportioned first to Fund VI to the extent of its diversification limit or to a lesser extent if the Fund VI general partner determines in good faith that such further investment by Fund VI would unreasonably limit the diversification of its investments, and thereafter, to the extent any opportunity remains, to a single-sector Denham fund to the extent such opportunity suits its investment program.

7. Types of Clients

All of Denham's clients are private equity funds sponsored by Denham. We offer interests in the Denham funds only to qualified purchasers.

8. Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods and Strategies

In managing our client funds, Denham employs methods of analysis and investment strategies suitable for each Denham fund's investment objective and in concurrence with the offering documents and other governing agreements of the applicable fund. Denham uses its sector knowledge and experience to conduct a comprehensive analysis of each candidate investment. Investment analysis includes evaluation of:

- industry/sector dynamics and outlook;
- management team experience and background;
- geopolitical, legal and environmental risks;
- quality of assets, equipment and/or services;
- competitive landscape;
- commodity and currency exposure; and
- potential technological developments.

Potential investors of our clients should be aware that an investment in one of our clients involves a high degree of risk and is suitable only for those investors that have the financial sophistication and expertise to evaluate the merits and risks of an investment in such client. There can be no assurance that our clients' investment objectives will be achieved, that any client will otherwise be able to successfully carry out its investment program or that an investor of a client will receive a return of its capital. In addition, there will be occasions when the general partner and its affiliates may encounter potential conflicts of interest in connection with the client. The discussion below enumerates certain risk factors that apply generally to an investment in any client. Prior to making any investment in a client, investors should carefully review the applicable offering documents for a more complete description of the risk factors and conflicts of interest relating to such client.

B. Risks Involved

An investment in any Denham fund involves a high degree of risk and is suitable only for those investors which have the financial sophistication and expertise to evaluate the merits and risks of an investment in such fund and for which such fund does not represent a complete investment program. There can be no assurance that the investment objective of any Denham fund will be achieved, that any Denham fund will otherwise be able to successfully carry out its investment program, or that an investor will receive a return of its capital contributed to any Denham fund. The discussion below enumerates certain, but not all, risk factors that apply generally to an investment in the Denham funds. In addition, co-investment vehicles might participate in only one investment so certain risk factors will not apply to those entities and such

vehicles might have other risks not described herein, such as a lack of diversification. Prior to making any investment in a Denham fund, investors should carefully review the applicable offering documents for a more complete description of the risk factors and conflicts of interest relating to such fund.

SECTOR RISK FACTORS

Oil and Gas. Oil or gas exploration and development is a speculative business involving a high degree of risk. Oil and gas drilling may involve unprofitable efforts, not only from dry holes, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Acquiring, developing and exploring for oil and natural gas involves many risks. These risks include encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and other accidents in completing wells and otherwise, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, fires, spills and other environmental risks. In addition, the process of estimating oil and gas reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir. As a result, such estimates are inherently imprecise. Further, the development, operation and maintenance of oil and gas sector ("Oil & Gas") projects involves various operational risks, which can include mechanical and structural failure, accidents, labor issues or the failure of technology to perform as anticipated. Events outside the control of a company, such as economic developments, changes in fuel prices or the price of other feedstocks, governmental policies, demand for energy and the like, could materially reduce the revenues generated or increase the expenses of constructing, operating, maintaining or restoring Oil & Gas businesses. In turn, such developments could impair a company's ability to repay its debt, conduct its operations or make distributions. In addition, events outside the control of a company, such as force majeure events, could significantly reduce the revenues generated or significantly increase the expense of operating, maintaining or restoring Oil & Gas facilities. Oil & Gas operations are subject to comprehensive United States and non-U.S. federal, state and local laws and regulations. Present, as well as future, statutes and regulations could cause additional expenditures, restrictions and delays that could materially and adversely affect Oil & Gas businesses. Oil & Gas assets may be taxed or need to purchase offsets under proposed environmental legislation in the United States and existing or proposed environmental legislation in other parts of the world, which could affect economic viability. Oil & Gas companies may involve significant construction risks, including the risk of substantial delay or increase in cost due to a number of unforeseen factors, including political opposition, regulatory and permitting delays, delays in procuring sites, strikes, disputes, or a failure of one or more investment participants to perform in a timely manner their contractual, financial or other commitments. A material delay or increase in unabsorbed costs could significantly impair the financial viability of an Oil & Gas investment project.

Mining. The business of exploration for metals, minerals and other commodities involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation characteristics, fires, explosions, rock bursts, power outages, labor disruptions, flooding, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labor are all risks which may occur during exploration for and development of mineral deposits. Substantial expenditures are required in order to establish reserves through drilling, to extract metal from ore, and to develop the mining, production, gathering or processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations. In addition, the economics of developing properties is affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in the prices

which can be obtained on the metal markets, and such other factors as land claims and government regulations, including regulations relating to royalties, allowable production, importing and exporting and environmental protection. Further, the development, operation and maintenance of mining sector (“Mining”) projects involves various operational risks, which can include mechanical and structural failure, accidents, labor issues or the failure of technology to perform as anticipated. Events outside the control of a company, such as economic developments, changes in fuel prices or the price of other feedstocks, governmental policies, demand for commodities and the like, could materially reduce the revenues generated or increase the expenses of constructing, operating, maintaining or restoring Mining businesses. In turn, such developments could impair a company’s ability to repay its debt, conduct its operations or make distributions. In addition, events outside the control of a company, such as force majeure events, could significantly reduce the revenues generated or significantly increase the expense of operating, maintaining or restoring Mining facilities. Mining operations are subject to comprehensive United States and non-U.S. federal, state and local laws and regulations. Present, as well as future, statutes and regulations could cause additional expenditures, restrictions and delays that could materially and adversely affect Mining businesses. Mining assets may be taxed or need to purchase offsets under proposed environmental legislation in the United States and existing or proposed environmental legislation in other parts of the world, which could affect economic viability. Mining companies may involve significant construction risks, including the risk of substantial delay or increase in cost due to a number of unforeseen factors, including political opposition, regulatory and permitting delays, delays in procuring sites, strikes, disputes, or a failure of one or more investment participants to perform in a timely manner their contractual, financial or other commitments. A material delay or increase in unabsorbed costs could significantly impair the financial viability of a Mining investment project.

Power. The development, construction, operation and maintenance of power sector (“Power”) projects involves various risks. Development of Power projects may require significant time and expense dealing with numerous private and public counterparties to acquire property and other required rights of ownership, access and otherwise. In addition, numerous national, state, and local permits may be required, including environmental studies and permits. Power projects and operations are subject to comprehensive national, state and local laws and regulations. Present, as well as future, statutes and regulations could cause additional expenditures, restrictions and delays that could materially and adversely affect Power businesses. Power assets may be taxed or need to purchase offsets under existing and proposed environmental legislation in relevant jurisdictions, which could affect economic viability. Power projects may involve significant construction risks, including the risk of substantial delay or increase in cost due to a number of unforeseen factors, including political opposition, regulatory and permitting delays, delays in procuring sites, strikes, disputes, or a failure of one or more investment participants to perform in a timely manner their contractual, financial or other commitments. A material delay or increase in costs could significantly impair the financial viability of a Power investment project. Power projects may depend on the availability of debt financing and other capital, which may not be available on favorable terms when needed. Power projects face operational risks, which can include mechanical and structural failure, accidents, labor issues or the failure of technology to perform as anticipated. Events outside the control of a company, such as economic developments, changes in fuel prices or the price of other feedstocks, governmental policies, demand for energy and the like, could materially reduce the revenues generated or increase the expenses of constructing, operating, maintaining or restoring Power businesses. In turn, such developments could impair a company’s ability to repay its debt, conduct its operations or make distributions. In addition, events outside the control of a company, such as force majeure events, could significantly reduce the revenues generated or significantly increase the expense of operating, maintaining or restoring Power facilities. The market for renewable energy is emerging and

rapidly evolving, and government policies, including subsidies on which projects may depend, are reviewed and may change frequently. If renewable energy technology proves unsuitable for widespread commercial deployment or if the demand for renewable energy products fails to develop sufficiently, renewable energy investments may be adversely affected. While renewable energy projects currently enjoy support from governments and regulatory agencies, there is no assurance that such support will continue in the future and any reduction or elimination of governmental support may have an adverse effect on the development and construction of such projects.

Construction. Our client's investments may involve significant construction risks, including the risk of substantial delay or increase in cost due to a number of unforeseen factors, including political opposition, regulatory and permitting delays, delays in procuring sites, strikes, disputes, or a failure of one or more investment participants to perform in a timely manner their contractual, financial or other commitments. A material delay or increase in unabsorbed costs could significantly impair the financial availability of an investment project and result in a material adverse effect on our client's investment.

GENERAL RISK FACTORS

No Assurance of Investment Return. No assurance can be given as to the ability to choose, make and realize investments in any particular company or portfolio of companies. There can be no assurance that our clients will be able to generate returns for their respective investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described in each client's offering documents. Investments made by our clients are subject to a wide range of risks, including the impact of terrorist acts or threats thereof, economic trends and other externalities beyond the control of our clients or Denham that could cause such investments to lose value. There can be no assurance that any investor of our clients will receive any distribution from the client. Accordingly, an investment in the client should only be considered by persons that can afford a loss of their entire investment. There can be no assurance that projected or targeted returns for our clients will be achieved.

Prior Investment Performance Not Indicative of Future Results. The prior investment performance of our clients does not necessarily represent the performance of the investment program pursued by our clients, nor is such performance indicative of the future results of our clients. There can be no assurance that the historical investment returns achieved by our clients will be achieved in the future, and our client's performance may be materially different. Prior performance and track records should be considered with particular caution in light of the recent and ongoing volatility and turbulence in the U.S. and global economies. When considering statements in the offering documents of our clients regarding actual or projected returns on investments made by our clients, potential investors should note that (i) the mix of assets invested in by earlier clients in the past may differ from the mix of assets in which the client invests currently or will invest in the future, so the returns will be different as well, and (ii) the actual and projected returns in many cases reflect projected cash flows from or projected valuations of investments made by clients that have not been fully realized and which are accordingly inherently uncertain.

General Tax Considerations. Most of our clients are treated as partnerships for U.S. federal income tax purposes. Each investor of a client, in determining its U.S. federal income tax liability, should take into account its allocable share of items of income, gain, loss, deduction and credit of the client, without regard to whether it has received distributions from the client. As is generally the case for similar private equity investment vehicles, an investment in our clients will give rise to a variety of complex U.S. federal income tax and other tax issues for investors. Certain of those issues may relate to special rules applicable to

certain types of investors, such as tax-exempt entities, life insurance companies, banks, individuals, dealers in securities and non-U.S. persons and entities. Prospective investors are urged to consult their own tax advisors with specific reference to their own situations concerning an investment in our clients

Non-U.S. Investments. Our clients may invest a substantial portion of capital in portfolio companies located or operating principally outside of the United States. Non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, such as fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the client's non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iv) certain economic and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, nationalization of business enterprises, the risks of political, economic or social instability, the possibility of substantial rates of inflation and the possibility of expropriation or confiscatory taxation; (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; and (vi) less-developed laws regarding corporate governance, fiduciary duties and the protection of investors, and other differences in applicable legal systems, including the possibility that our clients may experience difficulty in asserting legal claims or obtaining legal remedies in non-U.S. jurisdictions.

Reliance on Portfolio Company Management. Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although the general partner of each of our clients and Denham will be responsible for monitoring the performance of each investment and generally intends to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company in accordance with our client's plans and/or objectives.

Non-Controlling Investments; Investments with Third Parties. Our clients may hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies, although as a condition of investment in a portfolio company, it is expected that appropriate shareholder rights generally will be sought to protect the client's interests.

Our clients may co-invest with third parties in consortia, through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial, legal or regulatory difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the client or may be in a position to take (or block) action in a manner contrary to the client's investment objectives. In addition, the client may in certain circumstances be liable for the actions of its third-party co-venturers. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

Leverage. Our client's investments are expected to include portfolio companies whose capital structures may have significant leverage. Although the general partner of each of our clients will seek to use leverage in a manner it believes is prudent, the leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns

in the economy or deteriorations in the condition of the portfolio company or its industry. A decrease in the availability of financing (or an increase in interest rates or other costs) for leveraged transactions would impair our client's ability to consummate such transactions. In addition, if a portfolio company cannot generate adequate cash flow to meet its debt obligations, our client may suffer a partial or total loss of capital invested in such portfolio company.

Illiquid and Long-Term Investments. Although investments by our clients may generate some current income, the full return of capital and the realization of gains, if any, from an investment is generally not expected to occur until the partial or complete disposition of such investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made. It is unlikely that there will be a public market for the securities held by our client at the time of their acquisition. Our clients will generally not be able to sell the securities of portfolio companies publicly unless their sale is registered under applicable securities laws or unless an exemption from such registration requirements is available. In addition, in some cases our clients may be prohibited by contract or regulatory reasons from selling certain securities for a period of time. There can be no assurances that private purchasers of our client's investments will be found.

Additional Capital. Certain of our client's portfolio companies, especially those in a development or "platform" phase, can be expected to require additional financing to satisfy their working capital requirements or acquisition strategies. The amount of additional financing needed will depend upon the maturity and objectives of the particular portfolio company. Each round of financing (whether from the client or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. If the funds provided are not sufficient, a company may have to raise additional capital at a price unfavorable to the existing investors, including our client. In addition, our client may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve its proportionate ownership when a subsequent financing is planned or to protect the initial investment. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available.

Volatility of Commodities Prices. The performance of certain investments of our clients may be dependent upon prevailing prices of certain commodities. Historically, the markets for certain commodities, especially oil and natural gas, have been volatile, and such markets are likely to continue to be volatile in the future. Prices for certain commodities are subject to wide fluctuation in response to relatively minor changes in the supply of and demand for such commodities, market uncertainty and a variety of additional factors that are beyond the control of Denham or its clients. These factors include the level of consumer product demand, weather conditions, domestic and foreign governmental regulations, the price and availability of alternative commodities, political conditions, the price of foreign imports and overall economic conditions, and with respect to oil and gas specifically, refining capacity, actions of the Organization of Petroleum Exporting Countries and the foreign supply of oil and natural gas. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention is often intended to influence price directly and may cause rapid movement in these markets.

More specifically, oversupply in the oil market has caused a recent drop in oil prices, which may make investments in certain geographies uneconomic. There can be no assurance that oil prices will return to historic levels, and a prolonged reduction in oil prices may have a material adverse effect on a client's investment program, particularly on a client's ability to make and exit investments on desirable terms.

Use of Derivatives and Other Specialized Techniques. Companies in the energy and commodities industries engage in derivatives transactions to insulate against changes in commodities prices, and our clients or their portfolio companies may engage in other derivative or similar transactions. These transactions may involve the purchase and sale of commodities or commodity futures, the use of forward contracts, swap agreements, put and call options, floors, collars or other arrangements. Such instruments may be difficult to value, may be illiquid and may be subject to wide swings in valuation caused by changes in the price of commodities or other underlying assets. Derivative instruments may trade principally on markets organized outside the United States. Markets for such instruments may be illiquid, highly volatile and subject to interruption. Suitable hedging instruments may not continue to be available at reasonable cost. The investment techniques related to derivative instruments are highly specialized and may be considered speculative. Such techniques often involve forecasts and complex judgments regarding relative price movements and other economic developments. The success or failure of these investment techniques may turn on small changes in exogenous factors not within the control of portfolio companies, Denham or our clients. Exchange-traded futures and options on futures are subject to extensive statutes, regulations and margin requirements, which may include without limitation position limits or accountability standards and daily priced limits. For all the foregoing reasons, the use of derivatives and related techniques can expose our clients and its portfolio companies to significant risk of loss.

Currency and Exchange Rates. A significant portion of our client's investments, and the income received by our client with respect to such investments, may be denominated primarily in foreign currencies. However, the books of our clients are maintained, and contributions to and distributions from are clients generally are made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of investments and the amounts of distributions, if any, to be made by our clients. In addition, our clients will incur costs in converting investment proceeds from one currency to another. The general partner of each of our clients may enter into hedging transactions designed to reduce such currency risks. With respect to investors of Denham funds from any country in which U.S. dollars are not the local currency, changes in the exchange rate between U.S. dollars and such currency may have an adverse effect on the value, price or income of the investment to such investor. Each prospective investor of our clients should consult with its own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in one of our clients.

Effects of Sector Regulation. The energy and commodities sector is subject to extensive regulation under a wide range of statutes, rules, orders and regulations. These regulations may have a significant adverse impact on the financial condition, prospects and profitability of the Denham funds' investments. There can be no assurance that (i) existing regulations applicable to such portfolio companies will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to such companies; (iii) the technology and equipment selected by such companies to comply with current and future regulatory requirements will meet such requirements; (iv) such companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies.

Effects of Ongoing Changes in the Utility Industry. Our clients may make certain investments in electric utility industries both in the United States and abroad. In many regions, including the United States, the electric utility industry is experiencing increasing competitive pressures, primarily in wholesale markets,

as a result of consumer demands, technological advances, greater availability of natural gas and other factors. In response, for example, the Federal Energy Regulatory Commission (the “FERC”) has implemented regulatory changes to increase access to the nationwide transmission grid by utility and non-utility purchasers and sellers of electricity; similar actions are being taken or contemplated by regulators in other countries. A number of countries, and some States in the United States, are considering or have implemented methods to introduce and promote retail competition. To the extent competitive pressures increase and the pricing and sale of electricity assume more characteristics of a commodity business, the economics of independent power generation projects into which the client may invest may come under increasing pressure. Changes in regulation are fueling not only the current trend toward consolidation among domestic utilities, but also the disaggregation of many vertically integrated utilities into separate generation, transmission and distribution businesses. As a result, additional significant competitors could become active in the independent power industry. In addition, independent power producers may find it increasingly difficult to negotiate long-term power sales agreements with solvent utilities, which may affect the profitability and financial stability of independent power projects.

There can be no assurance that (i) existing regulations applicable to electric utility portfolio companies will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to electric utility companies; (iii) the technology and equipment selected by such companies to comply with current and future regulatory requirements will meet such requirements; (iv) such companies’ business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies.

Pursuant to certain federal statutes, the FERC has jurisdiction over the transmission and wholesale sale of electricity in interstate commerce and over the transportation, storage and certain sales of natural gas in interstate commerce, including the rates, charges and other terms and conditions for such services, respectively. Failure to comply with applicable FERC regulations could result in the prevention of operation of a FERC-jurisdictional facility or prevention of the sale of such a facility to a third party, as well as the loss of certain rate authority, refund liability, penalties and other unnamed remedies, all of which could result in additional costs to a portfolio company and adversely affect our client’s investment results.

Anti-Corruption Laws and Regulations. Conducting business on a worldwide basis require our client’s portfolio companies to comply with the laws and regulations of the U.S. government and various international jurisdictions, and their failure to comply with these rules and regulations may expose both our client and such portfolio companies to liabilities. These laws and regulations may apply to companies, individual directors, officers, employees and agents, and may restrict our client’s portfolio companies’ operations, trade practices, investment decisions and partnering activities. In particular, our client’s international portfolio companies are subject to U.S. and foreign anti-corruption laws and regulations, such as the Foreign Corrupt Practices Act (“FCPA”) and the U.K. Bribery Act 2010 (the “Bribery Act”). In particular, the FCPA prohibits U.S. companies and their officers, directors, employees and agents acting on their behalf from corruptly offering, promising, authorizing or providing anything of value to foreign officials for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA also requires companies to make and keep books, records and accounts that accurately and fairly reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. As part of their business, our client’s portfolio companies are

expected to deal with state-owned business enterprises, the employees and representatives of which may be considered foreign officials for purposes of the FCPA. The Bribery Act contains similar restrictions. In addition, some of the international locations in which our client's portfolio companies operate may lack a developed legal system and have elevated levels of corruption. As a result of the above activities, our client's portfolio companies may be exposed to the risk of violating anti-corruption laws. Violations of these legal requirements are punishable by criminal fines and imprisonment, civil penalties, disgorgement of profits, injunctions, debarment from government contracts as well as other remedial measures. A portfolio company's employees, subcontractors and agents could take actions that violate these requirements, which could adversely affect our client's portfolio companies' reputation, business, financial condition and results of operations.

European Union Alternative Investment Fund Managers Directive. The implementation date for the European Union Directive on Alternative Investment Fund Managers (the "Directive") was July 22, 2013, which was subject to certain transitional provisions that expired on July 22, 2014. The Directive imposes new regulatory obligations and restrictions on authorized alternative investment fund managers in respect of their portfolio management, marketing, and other investment-related functions. The Directive could adversely impact the Denham funds by, among other things: (i) limiting a fund's investment opportunities and Denham's operating flexibility both internally and with respect to investments made by the fund and (ii) exposing our funds to conflicting regulatory requirements in the United States and European Union. Because many of the provisions of the Directive require the adoption of delegated acts and regulatory technical standards, as the establishment of guidelines, before becoming fully effective, it is difficult to predict the precise impact of the Directive on the Denham funds. Any regulatory changes arising from the transposition of the Directive into national law that impair the ability of Denham or its affiliates to manage the investment of one of our funds, or limit the ability to market fund interests in the future, may materially adversely affect a fund's ability to carry out its investment approach and achieve its investment objectives and may materially increase the costs of doing business in Europe.

9. Disciplinary Information

There are no legal or disciplinary matters that would be material to the evaluation of our advisory business or integrity of our management by a client, prospective client or investor in a Denham fund.

10. Other Financial Industry Activities and Affiliations

- A. Neither Denham nor any of its management persons is registered, or has an application pending to register as a broker-dealer or a registered representative of a broker dealer.
- B. Neither Denham nor any of its management persons is registered or has an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.
- C. The General Partners are also investment advisers registered in accordance with SEC guidance under the Advisers Act pursuant to Denham Capital Management LP's registration. These affiliated investment advisers operate as a single advisory business together with Denham Capital Management LP, are under common control and are subject to Denham Capital Management LP's code of ethics and compliance programs adopted pursuant to the requirements of the Advisers Act.
- D. Denham may recommend or select other investment advisors for its clients, but Denham does not currently do so at this time.

- E. PhaseCapital L.P. (“Phase”) is an investment adviser registered with the SEC and based in Boston. Denham Capital is under common control with Phase, and Phase and Denham share common areas within office space. Phase also utilizes the services of certain administrative personnel of Denham, but such shared administrative personnel have no operational role in either business.

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

A. Code of Ethics

Denham maintains a Code of Ethics to which each employee and certain related persons are required to adhere. Denham’s Code of Ethics addresses various situations that may be presented to a particular employee or related person through his or her association with Denham. Such topics include potential conflicts of interest, personal securities trading, insider trading, outside activities, gifts and entertainment and political contributions.

Denham’s Code of Ethics focuses on compliance with applicable federal and state securities regulations. It is of particular focus at Denham that no representative employs any device, scheme or artifice to defraud a client or an investor of a client, makes any untrue statements of a material fact to a client or an investor of a client, engages in any act, practice or course of business that operates as a fraud or deceit on a client or an investor of a client or engages in any manipulative practice with respect to a client or an investor of a client. Conflicts of interest and potential of conflicts of interest are required to be reported to the Chief Compliance Officer (“CCO”). Denham conducts ongoing training and has active discussions with its employees to ensure understanding of potential conflicts and the avenues to report them to the proper management individuals.

Denham prohibits insider trading by any employee or related person in possession of Denham information. Through its evaluation of potential investment opportunities for its clients, Denham may, from time to time, come into possession of material nonpublic information regarding outside companies and businesses. Under applicable law, Denham and its employees are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Denham. Denham maintains internal procedures designed to ensure information is kept confidential and prohibits trading in such companies by its employees. Should Denham or its employees come into possession of material nonpublic or other confidential information with respect to any public company, Denham and its employees are prohibited from communicating such information to clients. Similar restrictions may be applicable as a result of the Denham’s employees serving as directors of public companies and may restrict trading on behalf of clients, including the Denham funds. Due to these restrictions, the Denham funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

Further to the Code of Ethics, Denham requires its employees to pre-clear the purchase or sale of securities for which they have beneficial ownership. Excluded from the preclearance requirements are open-ended mutual funds, open-ended funds, exchange traded funds and notes, direct obligations of the United States, banker’s acceptances, bank certificates of deposit, high-quality government short-term debt instruments, employees stock option purchase plans of spouses, shares issued by money market funds and unit investment trusts. Additionally, Denham employees are required to pre-clear the purchase of any initial public offering or private placement.

Denham's Code of Ethics additionally places restrictions on employees' outside activities, requiring them to pre-clear employment by another entity, board or officer membership of an outside entity, holding an official position for a candidate seeking public office or being a candidate for public office, or operating a fund or group formed to invest in securities. Denham employees must also seek approval from the CCO or his or her designee prior to making a political contribution on any level.

Denham monitors gifts and entertainment both received and given by its employees, requiring reporting over a threshold of \$250 for gifts.

Denham provides a copy of the Code of Ethics to any client or prospective client upon request to at 617-531-7200 or legalnotices@denhamcapital.com.

If a violation of Denham's Code of Ethics is found to have occurred, the CCO in his sole discretion shall determine what appropriate actions are to be taken. Such actions may include disgorgement of personal trading profits, letter of censure or suspension, termination of employment and/or referral to civil or criminal authorities.

B. Participation or Interest in Client Transactions

Denham provides ongoing portfolio management and advisory services for the Denham funds. Investment decisions are made by the investment committee for the applicable Denham fund. The investment committee is responsible for monitoring and managing the investment portfolio of the applicable Denham fund in accordance with its particular investment objectives, limitations and guidelines, and as set forth in the applicable governing agreements. Denham also complies with restrictions provided in the applicable governing agreements relating to principal transactions or other affiliated transactions, in which we or our personnel may have interests that are not aligned with the interests of one or more of our clients.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliate, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser acts as broker for both the advisory client and for another person on the other side of the transaction. Denham does not engage in such transactions, and, if it did, would follow all requirements applicable under its relevant agreements with its clients.

Client cross transactions occur where an adviser executes a securities transaction between two (or more) of its managed client accounts. These can create conflicts of interest because, by not exposing such buy and sell transactions to market forces, clients may not receive the benefits of best price, or an adviser might seek to prop up the performance of one fund by selling under-performing assets to another fund in order, for example, to earn higher fees in the aggregate. Client cross transactions are conducted either (i) in accordance with the governing agreements of the involved clients or (ii) pursuant to policies approved by the advisory committees or consented to by the limited partners of the Denham funds.

C. Personal Trading; Investment Alongside Client Funds

Conflicts of interest may arise between a Denham fund and us when we invest on our own behalf in the same securities that we recommend to the Denham funds. To address these potential conflicts, the governing documents for the Denham funds contain specified procedures for managing or obtaining client

consent for conflicts of interests, including, in some cases, obtaining consent for any conflict from an advisory committee comprised of investor representatives.

In addition, we have established internal procedures to identify and manage such conflicts. Pursuant to our Code of Ethics, each of our employees is required to submit to the CCO a report of the employee's securities holdings (which must be updated annually), as well as provide to the CCO a report of any personal securities transactions on a quarterly basis. In addition to these reports, our employees have an obligation to report any personal conflict of interest to the CCO as such conflict becomes known. Our employees must obtain the CCO's prior approval before buying or selling any security for their own account with limited exceptions.

Further, each Denham fund's general partner (or its affiliates) is required by the fund's governing documents to commit capital to such Denham fund, either as an investor or through a parallel vehicle. This capital requirement is intended to further align the general partner's interest – i.e., Denham's interest – with that of the client fund's investors

Denham, its employees, and certain business associates and other "friends and family" of key professionals currently invest and may in the future invest directly or indirectly in one or more Denham funds. Such investments generally are not subject to the management or performance-based fees described in Items 5 and 6 above. The fact that Denham and its employees have financial ownership interests in certain funds creates a potential conflict in that it could cause Denham to make different investment decisions than if such parties did not have such financial ownership interests. Denham carefully considers the risks involved in any investments and Denham provides to investors extensive disclosure in the Denham funds' offering documents regarding the potential risks that come with an investment in the Denham funds.

Denham or its affiliates may, from time to time, receive fees or other payments in respect of investments completed by certain Denham funds, such as deal fees, monitoring fees or transaction fees. Such parties may also receive "break-up" fees and other compensation with respect to portfolio company investments (including unconsummated investments). Such fees are not dependent on the performance of the investment and may create a conflict of interest between Denham and its clients. To address this potential conflict, some or all of these fees generally offset the management fees paid by clients to Denham, if any. In addition, as described herein, Denham has internal policies and procedures designed to address conflicts of interest, and each Denham fund has a limited partner advisory committee which, in accordance with the governing agreements of the respective Denham fund or on a voluntary basis, the General Partner may consult in seeking to resolve any conflicts of interest.

Employees of and related persons of/consultants affiliated with Denham may serve on the boards of, serve as employees of, or otherwise be retained as consultants by portfolio companies of Denham clients. Since Denham may be reimbursed for certain compensation and other fees and expenses that relate to the employment of certain expected portfolio company employees or retention of certain consultants, Denham could have a conflict of interest in connection with the applicable fund's initial investment in such portfolio company and the resulting reimbursement of such amounts. In addition, as a result of the funds' controlling interests in portfolio companies, Denham typically has the right to appoint board members to such portfolio companies, or to influence their appointment, and to determine or influence a determination of compensation for board members, portfolio company employees and/or consultants retained by portfolio companies. Serving on a portfolio company board may give rise to conflicts to the

extent that a Denham employee's (or consultant's) fiduciary duties to a portfolio company as a director may conflict with the interests of the Denham clients that are invested in such portfolio companies.

Denham may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Denham clients. Additionally, Denham and/or its personnel may maintain relationships with (or may invest in) financial institutions or other service providers, some of which may invest (or may be affiliated with an investor) in, engage in transactions with and/or provide services to, Denham, and/or Denham's clients.

The performance-based fees (i.e., carried interest) may create an incentive for Denham to make investments that are riskier or more speculative than in the absence of such fees.

To the extent that one or more Denham investment vehicles invest in the same securities of the same issuer, Denham will generally seek to ensure that all participants in such investment participate on comparable terms. This may not be practicable or appropriate in all circumstances, however, and one or more Denham investment vehicles may participate in such investments on different and potentially less favorable terms than other participants if Denham deems such participation as being otherwise in the best interests of the participating Denham clients. This may have an adverse impact on one of the participating Denham clients.

D. Personal Trading Contemporaneous with Client Transactions

See discussions above in Items 11(A)-(C).

12. Brokerage Practices

A. Broker-Dealer Recommendations

Due to the nature of investments made by Denham's clients (mostly equity investments in private companies), Denham rarely executes trades on behalf of its clients through broker-dealers. When Denham does execute a trade on behalf of its clients through a broker-dealer, Denham will seek to obtain best execution, but Denham weighs several factors, including:

- available price and compensation to broker;
- financial standing of broker;
- efficiency and documentation needed to execute such trade; and
- past experience with any such broker.

As a result, the client may not necessarily pay the lowest commission or commission equivalent.

When selling a private company on behalf of a fund, Denham may retain a broker-dealer or investment bank, the costs of which will be borne by the relevant fund and/or portfolio company. In doing so, Denham considers a variety of factors, including:

- broker fees to be charged;
- networking ability and relationships of broker;
- financial integrity of broker; and
- past success of broker in similar transactions.

As a result, although Denham generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Denham funds may not necessarily pay the lowest commission or fee for such services.

1. *Research and Soft dollars.* Denham occasionally may receive unsolicited research and information from brokers. This is a benefit to Denham because we do not produce or pay for the research or related services. Thus, we could conceivably have an incentive to select a broker-dealer based on this interest, rather than on our clients' interest in receiving most favorable execution. However, Denham does not seek to participate in any of these so-called soft dollar benefits, and they do not influence Denham's decisions on brokerage selection. Denham selects brokers based on the factors described above.
2. *Brokerage for Client Referrals.* Denham does not receive referrals for clients from any broker-dealers.
3. *Directed Brokerage.* As Denham's clients are all private investment funds, Denham selects all broker-dealers. Denham's clients do not direct brokerage.

B. Aggregation of Securities for various Denham funds

Denham's clients are private equity funds with differentiated sets of upstream investors, and therefore Denham does not typically aggregate the purchase or sale of securities for various Denham funds (with the exception of a parallel or co-investment fund with its main fund). On the occasion when two separate Denham funds share an investment, trades in connection with such investment would be executed and allocated separately to each fund.

13. Review of Accounts

A. Denham's professionals routinely review the accounts of its clients and their underlying portfolio investments. Denham reviews financial performance, exit strategy, operations and management during its routine reviews. Additionally, Denham's professionals review each quarter the valuation and performance of the client accounts, and a valuation committee approves all final information distributed.

B. There are no specific triggers to launch a portfolio review on a non-periodic basis.

C. In accordance with the applicable partnership agreement of each client, Denham delivers to the investors of each client written quarterly financial statements and annual statements, which annual statements are audited by an independent auditor and prepared in accordance with GAAP.

14. Client Referrals and Other Compensation

A. Denham does not receive economic benefits from persons who are not clients for providing investment advice or advisory services to our clients. Denham may, on occasion, receive management fees, monitoring fees or similar fees, or reimbursements of certain expenses, from portfolio companies in which a Denham fund has invested. To address this potential conflict, a certain portion of these fees may offset the management fees otherwise payable by investors in the Denham funds. These potential fee arrangements are disclosed in the private offering materials for each particular private offering and governed by the Denham fund's governing documents

B. We or our affiliates may, from time to time, enter into arrangements in which persons will assist in the capital raising efforts of one or more of the Denham funds in exchange for a fee. These relationships will affect the independence of the placement agent in connection with the placement agent's recommendations of a particular Denham fund. These types of arrangements are disclosed to investors of the Denham funds in the relevant private offering materials

15. Custody

Due to Denham's access to clients' funds and discretion to deduct fees and expenses from the client accounts and services by our affiliates as general partners of the Denham funds, we are deemed to have custody of our clients' funds. Denham generally holds all assets of our clients with a bank or other qualified custodian, unless not otherwise required in accordance with SEC guidance. Denham's professionals review custodial statements regularly to ensure agreement with positions stated therein. Denham's clients are generally subject to audit at least annually by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounts Oversight Board. Denham distributes audited financial statements to all investors of the audited Denham funds within 120 days of the end of the fiscal year of each such client. For any clients that are not audited, Denham complies with the other provisions of the custody rule, such as confirming quarterly account statements are being sent by a qualified custodian and being subject to a surprise custody examination.

16. Investment Discretion

Denham has discretionary authority to manage accounts on behalf of its clients. Such discretion is subject to the investment strategy and guidelines as set forth in the offering document and partnership agreement of the applicable client.

17. Voting Client Securities

A. Policies and Procedures

Pursuant to rule 206(4)-6 of the Advisers Act, investment advisers who exercise authority over client securities are required to implement proxy voting policies and procedures. To the extent Denham exercises or is deemed to be exercising voting authority of client securities, it will vote those securities in accordance with such policies. Notwithstanding the foregoing, a client's ownership of securities may be subject to a voting agreement or shareholders' agreement, in which case, any such voting agreement or shareholders' agreement will control in the event of a conflict between the terms of such voting agreement and the terms of Denham's proxy policies. Denham's policy is to vote proxy proposals, amendments, consents or resolutions relating to its clients as determined by Denham in its discretion and at all times in the best interests of its clients, taking into account relevant factors including:

- the impact on the value of the returns of the relevant client;
- alignment of portfolio company management's interest with the relevant client's interest;
- the ongoing relationship between the client and the portfolio companies in which it invests, including the continued or increased availability of portfolio information; and
- industry and business practices.

If Denham determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, Denham will address matters involving such conflict of interest as follows:

-Denham may vote such proxy as it determines to be in the best interest of the relevant client without taking any action described below, provided that such vote would be against Denham's own interest in the matter (i.e., against the perceived or actual conflict). Denham will memorialize the rationale of such vote in writing; and

-If Denham believes it should vote in a way that may also benefit, or be perceived to benefit, its own interest, then Denham must take action in accordance with its client's governing agreements or as otherwise determined by Denham to be in the best interest of the client in voting such proxy, which may include, but is not limited to, seeking approval of the voting decision for such proxy proposal from the relevant client's advisory committee.

Denham's CCO or his designee will maintain written or electronic copies of each proxy statement received and of each executed proxy. Investors of the Denham funds may receive a copy of Denham's proxy policies and procedures at any time upon request to 617-531-7200 or legalnotices@denhamcapital.com.

18. Financial Information

A. We are not required to include a balance sheet, as we do not require or solicit prepayment of fees six months in advance.

B. There is no financial condition that is reasonably likely to impair Denham's ability to continue to meet its contractual commitments and provide services to its clients.

C. We have not been the subject of a bankruptcy petition at any time during the past decade.

19. Requirements for State-Registered Advisers

This Item is inapplicable to Denham, as we are not registered with any state securities authority.