

Item 1 – Cover Page

Talara Capital Management, LLC

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This Brochure provides information about the qualifications and business practices of Talara Capital Management, LLC (“Talara”). If you have any questions about the contents of this Brochure, please contact us at (646) 396-6040. 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.

Talara is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Talara also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Talara is 158866.

Item 2 – Material Changes

This Item of the Brochure will discuss only specific material changes that have been made to the Brochure and provide clients with a summary of such changes.

The current update of our brochure includes the following material changes:

1. In Item 4, we identify a new fund; Talara Opportunities IV, LP

Currently, our Brochure may be requested by contacting us at (646) 396-6040.

(Date of our last Annual Updating Amendment: 03/21/2014)

Item 3 -Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management	3
Item 7 – Types of Clients.....	3
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	3
Item 9 – Disciplinary Information	9
Item 10 – Other Financial Industry Activities and Affiliations	9
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading	9
Item 12 – Brokerage Practices	12
Item 13 – Review of Accounts.....	14
Item 14 – <i>Client</i> Referrals and Other Compensation.....	15
Item 15 – Custody	15
Item 16 – Investment Discretion	15
Item 17 – Voting <i>Client</i> Securities	16
Item 18 – Financial Information.....	16

Item 4 – Advisory Business

Talara is owned by David Zusman and Andrew Heyman and has been providing advisory services since January 1, 2011. As of December 31, 2014 Talara managed \$347,015,038 on a discretionary basis.

Talara specializes in real asset based industries with a focus on resource and industrial sectors. Talara provides investment advisory services on a discretionary basis to pooled investment vehicles including Talara Fund, LP, Talara International Fund, Ltd., Talara Master Fund, Ltd., Talara Opportunities II, LP., Talara Opportunities III, LP and Talara Opportunities IV, LP (each a "Fund" and, collectively, the "Funds") and for separately managed accounts (the "Accounts") intended for institutional investors and other sophisticated investors. Collectively, the Funds and Accounts advised by Talara are hereinafter referred to as "Clients."

Talara Fund, LP, Talara International Fund, Ltd. & Talara Master Fund, Ltd are long/short investment vehicles that invest primarily in publicly traded equities but also in commodity futures and debt or similar investments. These investments are made primarily in the commodity, infrastructure and industrial sectors of the global economy. These Funds may also invest in private securities, including private investments in public equity transactions (sometimes referred to as PIPEs). However, the Funds generally intend to limit investments in private securities to 10% of net assets (measured at the time of investment).

Talara Fund, LP and Talara International Fund, Ltd. are "Feeder Funds" established to address certain tax or regulatory requirements. Each Feeder Fund is a shareholder of Talara Master Fund, Ltd. "Master Fund," and shares in such Master Fund would be held by the investors who elect to participate in the Master Fund through such Feeder Funds. Rather than make portfolio investments directly, each Feeder Fund invests substantially all assets in a "master-feeder" structure in the Master Fund. In general, portfolio investments will be held at the Master Fund level, although each Feeder Fund may exercise authority to make certain investments directly. Talara Opportunities II, LP., Talara Opportunities III, LP and Talara Opportunities IV, LP were established as special purpose vehicles to invest as a limited partner in private oil and gas limited partnerships and each structured in a "private equity" format. Talara may seek to establish additional "private equity" vehicles in the future. Prospective investors are requested to refer to the Offering Documents of the applicable Fund for complete details.

Talara will invest all Accounts with substantially similar mandates in a similar manner to the respective Fund (subject to very limited client account restrictions and to the extent possible given account size, starting date, and date of subsequent contributions or distributions), and a policy is in place to ensure that trades executed in accounts with substantially similar mandates are treated *pari passu*.

In addition, Talara may invest the assets of the Funds or managed accounts it advises with other Funds that Talara advises.

Item 5 – Fees and Compensation

All investors and prospective investors should review the Governing Documents of each Fund in conjunction with this brochure for complete information on the fees and compensation payable with respect to a particular Fund. Different Funds and Accounts may be subject to different management fees and performance-based compensation arrangements. In certain circumstances, the advisory fees payable to Talara and/or the incentive allocation payable to Talara's affiliated General Partner may be negotiable or waived. Management fees are deducted by Talara and payable quarterly in advance. Investors and prospective investors should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees. All Clients are "qualified purchasers" as defined in Section 2(a)(51) of the Company Act.

Talara's fees are exclusive of investment expenses such as commissions, transaction fees, margin interest and other related costs and expenses which are incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties, custodial fees, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to Talara's fee. Item 12 further describes the factors that Talara considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

In the event that Talara is not acting as Investment Manager for an entire quarter, the management fee for such quarter will be prorated to reflect the portion of such quarter in which the Investment Manager is acting as such under the management agreement.

To the extent that a Fund or managed accounts' assets are invested in another Fund advised by Talara, the target Fund will waive any fees or other compensation payable to Talara or its affiliates in connection with such investments.

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

In addition to the management fees which Talara receives as Investment Manager, a general partner of the Funds may be entitled to receive performance-based compensation (i.e., Incentive Allocation) from Accounts or investors in the Funds. For investments in the Funds, an affiliated General Partner may receive an annual Incentive Allocation. Accounts may be subject to different performance fee terms to those of the Funds.

The Incentive Allocation will be made in conformity with Section 205 of the 1940 Act and Rule 205-3 thereunder. See each Fund's relevant confidential private placement memorandum, limited partnership agreement, investment advisory contract and other governing documents for more detail including the calculation of performance based fees. The performance-based compensation theoretically creates an incentive for Talara to cause the Funds to make investments which may be riskier or more speculative than those which would be made under a different compensation arrangement.

Item 7 – Types of Clients

All Clients are "qualified purchasers" as defined in Section 2(a)(51) of the Company Act. The Funds advised by Talara generally will be open to investment only by persons that are both "accredited investors" within the meaning of Regulation D of the Securities Act of 1933, as amended and "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act of 1940, as amended.

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

Methods of Analysis and Investment Strategy

Through a research-intensive and fundamental approach to investing, the Talara Master Fund, Ltd will make both long and short investments primarily in publicly traded equities but also in commodity futures, debt or similar investments. These investments will be made primarily in the commodity, infrastructure and industrial sectors of the global economy. Within these sectors, the Funds will typically invest in companies that have real assets and produce tangible goods. Many of these companies are interconnected across industry supply chains and experience cyclical supply-demand imbalances.

The Talara Master Fund, Ltd. may hold both long and short investments. For long investments, the Funds will typically seek to identify companies that are (i) trading at a discount to the Investment Manager's assessment of the company's intrinsic value, (ii) are levered to secular growth opportunities, (iii) have sustainable business models with long-

term competitive advantages, (iv) generate high returns on investment and free cash flow, and (v) are managed by competent and shareholder-oriented management teams.

For short investments, the Talara Master Fund, Ltd. will typically seek to identify companies that are (i) overvalued, (ii) have an identifiable catalyst to reduce this valuation premium, (iii) have an unattractive business model with decelerating rates of growth/profitability and (iv) have weak management teams. The Investment Manager typically will use leverage in connection with investments, and the Funds' gross exposure (i.e., long positions plus short positions divided by total equity) is expected to be 90% to 150%, but may at times be higher. Further the Funds' portfolio may be concentrated (e.g., a core long position may be 10% or higher).

Talara will employ a disciplined investment process in conducting bottom-up fundamental research for both long and short positions. Generally, Talara will conduct proprietary research by speaking to a company's management, customers, competitors, suppliers, distributors and industry experts to assess a specific investment opportunity and obtain a real-time picture of the evolving competitive landscape. In addition to meetings with senior level management and midlevel field contacts at both public and private companies, ideas may also be sourced through a review of corporate filings, industry publications and proprietary screens. Additionally, further research is often conducted on secondary ideas that are downstream or upstream from the original industry point of contact.

Talara Opportunities II, LP Fund's objective is to capitalize a newly formed private E&P company to execute the acquisition and follow-on development of certain conventional, liquids-weighted assets in Western Oklahoma, primarily focused on the Cleveland and Tonkawa plays.

Talara Opportunities III, LP Fund's objective is to capitalize a newly formed E&P company to execute a re-development strategy in the Illinois Basin focused on the application of modern fracturing practices to vertical well bores targeting shallow oil-weighted conventional reservoirs.

Talara Opportunities IV, LP Fund's objective is to capitalize a newly formed E&P company to execute an Eagle Ford Shale and Buda Limestone development strategy in East Texas.

Risk of Loss

Investing in securities involves risk of loss that Clients should be prepared to bear.

All investments present the risk of loss of principal – the risk that the value of securities, when sold or otherwise disposed of, may be less than the price paid for the securities.

Investment in the Private Funds may be deemed a highly speculative investment and involves significant risk, suitable only for persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment and who meet the conditions set forth in the relevant offering documents. There can be no assurances that the Funds will achieve their investment objective. The material risks presented by the strategies pursued by Talara are summarized below. Additional information is contained in the Offering Documents related to each Private Fund.

Talara Fund, LP, Talara International Fund, Ltd. & Talara Master Fund, Ltd

Leverage – The Funds will utilize leverage as part of their investment strategy. Leverage increases returns to investors if the Funds earn a greater return on leveraged investments than the Funds’ cost of such leverage. However, the use of leverage exposes the Funds to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the Funds not borrowed to make the investments, (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Funds’ cost of leverage related to such investments. In the case of a sudden, precipitous drop in value of the Funds’ assets, the Funds might not be able to liquidate assets quickly enough to repay their borrowings, further magnifying the losses incurred by the Funds.

In an unsettled credit environment, Talara may find it difficult or impossible to obtain leverage for the Funds. Since leveraging its assets is part of the investment strategy of the Funds, in such event the Funds may find it difficult to fully implement their strategy. In addition, any leverage obtained, if terminated on short notice by the lender, may result in Talara being forced to unwind positions quickly and at prices below what Talara deems to be fair value for the positions.

Short Selling – Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Funds engage in short sales will depend upon Talara’s investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. There can be no assurance that the Funds will be able to maintain the ability to borrow securities sold short. In such case, the Funds can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that

the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Sector Related Risks - The value of the Funds' portfolios may be particularly vulnerable to factors affecting certain sectors, including, but not limited to, the energy, utility, basic material, industrial and transportation sectors. Such sectors may be subject to increasing regulation by both the U.S. And foreign governments, obligations to comply with environmental and other governmental mandates, developments in the particular industry, conservation incentives and mergers, takeovers or acquisitions. Increased regulations or restrictions may, among other things, increase compliance costs, decrease profitability and/or affect business opportunities for the companies in which the Funds invest.

Because the Fund's investment portfolio (both on the long and short side) will contain investments in such sectors, the value of the Funds' portfolios may rise and fall more than the value of similar investment vehicles that invest more broadly. The value is also affected by changing commodity prices, which can be highly volatile and are subject to risks of oversupply and reduced demand.

Commodity & Futures Contracts – Trading in commodity and futures contracts and options thereon are highly specialized activities which while they may increase the total return in the Funds' investments, may entail greater than ordinary investment risk.

Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage may be typical of a commodity futures trading account. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Commodity futures trading may also be illiquid. Certain commodity exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, Talara could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses.

Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

Options – Talara may, on behalf of the Funds, purchase and sell (“write”) options on equities on national and international securities exchanges. The seller (“writer”) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security, receives a premium for writing the put option, but gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

The writer of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the value of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

Options may be cash settled by physical delivery or by entering into a closing purchase transaction. In entering into a closing purchase transaction, the Fund may be subject to the risk of loss to the extent that the premium paid for entering into such closing purchase transaction exceeds the premium received when the option was written.

Talara Opportunities II, LP, Talara Opportunities III, LP & Talara Opportunities IV, LP

Limited Liquidity - Investors generally will not be permitted to voluntarily withdraw from the Funds. In addition, Investors generally may not transfer their Interests, in whole or in part, without, among other things, the prior written consent of the General Partner, which may be granted or withheld in its discretion. There currently exists no public market for Interests, and none is expected to develop. Accordingly, Investors should not expect that they will be able to transfer, sell or otherwise dispose of all or any portion of their Interests during the term of the Funds, nor can they be certain that they will be able to transfer, sell or otherwise dispose of all or any portion of their Interests on a basis which reflects the value of each respective Fund’s portfolio. Investments in the Funds are appropriate only for sophisticated investors that do not require immediate liquidity for their investment.

Concentration of Investments and Risk Management Failures - Talara Opportunities II, LP Talara Opportunities III, LP’s and Talara Opportunities IV, LP’s respective portfolios will be concentrated in one issuer, industry, sector, strategy, country and geographic region, and such concentration of risk will increase the risk of losses suffered by the Funds. This concentration could expose the Funds to losses disproportionate to market movements in

general. The Investment Manager will not attempt to control such risks by diversifying each Funds' portfolios. In addition, many other investment funds pursue similar strategies, which create the risk that many funds would be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses. Although the Investment Manager will attempt to identify, monitor and manage significant risks, these efforts will not take all risks into account and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behavior, but future market behavior may be entirely different. Any inadequacy or failure in the Investment Manager's risk management efforts could result in material losses.

Changes in Environment-The term of the Funds are intended to extend over a period of at least five (5) years from the closing date, during which the business, economic, political, regulatory, and technology environment within which each Fund operates may undergo substantial changes, some of which may be adverse to the Funds. The General Partner will have the exclusive right and authority (within limitations set forth in the Partnership Agreement) to determine the manner in which each respective Fund responds to such changes (including the sale of all or part of partnership interests), and Investors generally will have no right to withdraw from the Funds or to demand specific modifications to the Fund's operations as a consequence thereof.

Business and Regulatory Risks of Private Investment Funds - The financial services industry generally, and the activities of private investment funds and their managers in particular, have recently been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the Investment Manager's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight may also impose additional administrative burdens on the Investment Manager, including, without limitation, responding to investigations, implementing new policies, procedures and reporting requirements. Such burdens may divert the Investment Manager's time, attention and resources from its activities on behalf of the Funds. The regulatory environment for private funds is evolving, and changes in the regulation of private funds and their activities may adversely affect the ability of the Funds to pursue their respective investment strategies and the value of investments held by the Funds. There has recently been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. Specifically, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") and other related statutes and regulations may impose significant regulatory, reporting and recordkeeping requirements on advisers to private investment funds, including the Investment Manager.

Private Investments - Private investments may be subject to legal or other restrictions on transfer and there may be no liquid market for these investments. This means that Talara may be unable to sell them when desired or to realize their previously anticipated fair value when sold. The sale of illiquid assets often requires more time and results in higher selling expenses than does the sale of more liquid assets. Calculating the fair market value of private investments can be especially difficult.

Material, Non-Public Information - Talara may acquire confidential or material, non-public information that would limit the ability of the Private Funds to buy and sell certain of its investments. The Private Funds' investment flexibility may be constrained due to the inability of Talara to use such information for investment purposes. Moreover, the Private Funds may be restricted from initiating transactions in certain securities or selling certain investments, due to their acquisition of confidential or material, non-public information at a time when Talara would otherwise take such action.

The risks of loss described herein should not be considered to be an exhaustive list of all the risks which Investors should consider. Investors should refer to the applicable Offering Documents for additional information on risk factors and risk of loss.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Talara or the integrity of Talara's management. Talara has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Talara is under common control with Talara GP, LLC which serves as the general partner for Talara Fund, LP, Talara International Fund, Ltd. and Talara Master Fund, Ltd and with Talara Opportunities II GP, LLC which serves as the general partner for Talara Opportunities II, LP and Talara Opportunities III GP, LLC which serves as the general partner for Talara Opportunities III, LP and Talara Opportunities IV GP, LLC which serves as the general partner for Talara Opportunities IV, LP.

Talara is not a broker-dealer, Commodity Pool Operator, Commodity Trading Adviser or Futures Commission Merchant and none of its management persons are associated representatives of a broker-dealer or such regulated entity.

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

Talara has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Talara's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth Talara's practice of supervising the personal securities transactions of

employees with access to client information. Individuals associated with Talara may buy or sell securities for their personal accounts identical or different than those recommended to clients subject to pre-approval and waiting periods. It is the expressed policy of Talara that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, Talara requires that anyone associated with this advisory practice with access to advisory recommendations provide initial holdings reports, annual securities holding reports and instruct their brokerage firm to provide duplicate broker trade confirmations and account statements. Talara also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings). Talara's Chief Compliance Officer monitors and reviews employees personal trading accounts for compliance with Talara's personal trading policies as detailed in the Code of Ethics.

Talara and its related persons do not participate in and do not have any interest in client transactions, except to the extent that Talara's officers and employees may directly or indirectly invest in the Funds.

Talara requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline. Talara will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Talara's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. Talara's Insider Trading Policies prohibit Talara and its personnel from trading for the Funds and Managed Accounts or themselves, or recommend trading, in securities of a company while in possession of material, non-public information ("Inside Information") about the company, and from disclosing such information to any person not entitled to receive it. By reason of its various activities, Talara may have access to Inside Information or be restricted from effecting transactions in certain investments that might otherwise have been initiated. Talara has designed and implemented policies and procedures reasonably designed to shield its investment professionals in most cases from access to Inside Information so that investment decisions may be made on the basis of public information only. Among other things, such policies seek to control and monitor the flow of Inside Information to and within Talara, as well as prevent trading based on Inside Information.

Accordingly, Talara may not have access to Inside Information that other market participants or counterparties are eligible to receive.

Notwithstanding such policies and procedures, there may be certain cases where Talara either may receive Inside Information due to its various activities on behalf of itself or the Funds and Managed Accounts or may be restricted in acting for the Funds or Managed Accounts, resulting in limited liquidity or using such information for the benefit of certain Clients in specific securities. Talara seeks to minimize those cases whenever possible, consistent with applicable law and our Insider Trading Policies, but there can be no assurance that such efforts will be successful and that such restrictions will not occur.

In addition, Talara may invest the assets of the Funds or Managed Accounts it advises with other Funds that Talara advises. This practice presents a conflict of interest in that Talara may be incentivized to recommend affiliated Funds to Clients because Talara may derive certain benefits. To help mitigate this conflict, the target affiliated Fund will waive any fees or other compensation payable to Talara or its affiliates in connection with such investments.

Additional Considerations

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of Talara, its affiliates, and personnel (each an “Advisory Affiliate” and, collectively, the “Advisory Affiliates”). Talara has established policies and procedures to monitor and resolve conflicts and will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances. The Advisory Affiliates may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of the Funds or the managed accounts. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Funds or managed accounts. Potential conflicts also may arise due to the fact the advisory affiliates may have investments in some Funds but not in others or may have different levels of investments in the various Funds, and because the Funds and managed accounts may pay different levels of fees to Talara.

Item 12 – Brokerage Practices

Broker Selection

Talara is granted the discretionary authority in the relevant Offering Documents of the Funds and/or investment management agreements to determine the broker or dealer to be used and the commission rates to be paid. In selecting brokers or dealers to execute transactions, Talara is not required to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Talara's practice to negotiate "execution only" commission rates; thus the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate. In determining the broker or dealer to be used for each securities transaction, the Investment Manager shall conform to and be in accordance with the provisions of the Fund's Governing Offering Documents, as amended from time to time and delivered by Talara.

Research and Other Soft Dollar Benefits

Talara uses client brokerage commissions to obtain research or other products or services. This is a benefit to Talara, as Talara does not have to pay for such research, products or services. Talara may have an incentive to select a broker dealer based upon receiving such benefits, rather than on clients' interest in receiving most favorable execution. Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Except for services that would be an expense of the Funds, Talara will limit the use of Commissions to obtain services which constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) may include, but are not limited to, research reports (including market (research)); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-

regulatory organization such as comparison services, electronic confirms or trade affirmations. The use of Commissions arising from investment transactions for services other than research and brokerage will be limited to services that would otherwise be an expense of the Funds. The use of Commissions to obtain such other services would be outside the parameters of Section 28(e). Similarly, because Section 28(e) relates only to the use of commissions on equity transactions, the use of commissions, mark-ups or other compensation on transactions in instruments other than equity securities would be outside the parameters of Section 28(e).

In some instances, Talara may receive a product or service that may be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software or proxy services). In such instances, Talara will make a good faith effort to determine the relative proportion of the product or service used to assist in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting Talara in carrying out its investment decision-making responsibilities will be paid through Commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by Talara from its own resources.

Research and brokerage services obtained by the use of commissions arising from portfolio transactions may be used by Talara in its other investment activities and thus, a particular Client may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided. Soft dollar benefits are not limited to those clients who may have generated a particular benefit, although certain soft dollar allocations are connected to particular clients or groups of clients.

Although Talara will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of “mixed use” products or services create a potential conflict of interest between the Talara and its Clients.

Aggregation and Allocation

Talara, at its discretion, may aggregate orders in the same security for Funds and Accounts transacting in that security and will generally allocate the securities or proceeds arising as a result of the transactions (and the related transaction expenses) on an average price basis. Exceptions to pro-rata allocations may occur when appropriate. Talara believes that by aggregating orders, commission rates and transaction costs may be reduced as a result

of such aggregation. However, in certain instances, average pricing may result in higher or lower total net execution price than otherwise obtainable by effecting transactions separately. Talara believes that aggregating orders contribute to seeking best execution.

Item 13 – Review of Accounts

Reviews:

Talara's portfolio managers, risk management and operations staff are responsible for monitoring investment performance and executing purchases and sales of securities on behalf of Client portfolios.

Portfolio managers for public equity Clients review accounts and exposures on a regular basis. With the assistance of third-party administrators the operations and accounting department reconcile the accounts on a daily basis. Portfolio positions are updated daily and are reviewed by Talara on a daily basis.

Talara closely monitors the portfolio companies of the private equity vehicles and generally maintains an ongoing oversight position on the Boards of the portfolio companies.

Reports:

Talara Fund, LP, Talara International Fund, Ltd. & Talara Master Fund, Ltd will send unaudited monthly statements and letters regarding performance at least quarterly. Investors will also receive unaudited performance reports at least quarterly. Talara Opportunities II, LP., Talara Opportunities III, LP., and Talara Opportunities IV, LP., distributes quarterly statements within 45 days of each quarter end. Performance results for managed accounts are calculated on at least a quarterly basis and reported to the investor as soon as reasonably practicable.

Each Fund mails to each investor a financial report audited by such Fund's independent auditors after the end of each fiscal year. With respect to each of the Domestic Funds, each investor is sent tax information that is necessary for the completion of such investor's U.S. tax returns.

Item 14 – *Client Referrals and Other Compensation*

Talara does not receive an economic benefit for providing investment advice or other advisory services from someone who is not a client.

Talara and related entities enter into cash compensation arrangements with unaffiliated placement agents or other third parties for introducing investors to a Talara Fund. Any sales charge associated therewith will ultimately be payable by Talara and/or its related entities, either directly or through an offset of the advisory fee payable by the relevant Fund to Talara. An investor will not be charged any additional amount or bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party. Moreover, Talara may consider referrals of investors to the Funds in determining its selection of third party service providers.

Talara endeavors at all times to put Client interests first as part of Talara's fiduciary duty. Nevertheless, the receipt of compensation by the placement agents creates a potential conflict of interest, and may affect the judgment of placement agents when making referrals to Talara and the Funds.

Item 15 – Custody

Talara is deemed to have custody by virtue of the fact that it or a related person serves as General Partner or Managing Member of private funds. The SEC's custody rule sets forth certain requirements for the safekeeping of client assets. Pursuant to the rule, Talara has retained an independent accounting firm that is both registered with and subject to regular inspection by the Public Company Accounting Oversight Board ("PCAOB") to conduct an annual audit of the Funds and the audited financial statements are distributed to each investor in the investment pool (or their independent representative) within 120 days of the fiscal year end of the investment pool.

Item 16 – Investment Discretion

As investment adviser to the Investment Portfolios, Talara is granted the discretionary authority in the relevant organizational documents and/or investment management agreements to determine which securities and the amounts of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client account.

When selecting securities and determining amounts, Talara observes the investment policies, limitations and restrictions of the Clients for which it advises. Investment guidelines and restrictions must be provided to Talara in writing.

Item 17 – Voting *Client* Securities

Unless otherwise advised by written notice from Clients, Talara shall vote proxies with respect to securities in a manner consistent with the Client's proxy voting policies, a copy of which has been provided in writing by the Client to Talara. In the absence of any applicable provision of the policies and procedures in effect from time to time, Talara, in voting proxies will not subordinate the economic interests of Clients to any other entity or interested party and will vote in the best interest of shareholders and in a manner that is consistent with Talara's fiduciary responsibilities. Additional information about Talara's Proxy Policy and proxy voting history is available upon written request to Sharon O'Shea, Chief Compliance Officer (646) 396-6040.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Talara's financial condition. Talara has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.