



Part 2A of Form ADV: Old Ironsides Energy, LLC - *Brochure*

Item 1 - Cover Page

March 27, 2018

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This Brochure provides information about the qualifications and business practices of Old Ironsides Energy, LLC. If you have any questions about the contents of this brochure, please contact us at (617) 366-2046. 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.

Old Ironsides Energy, LLC 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 investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about Old Ironsides Energy, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

The last update to the Brochure of the Adviser (as defined below) was made on March 30, 2017, in connection with its annual Form ADV amendment filing. A summary of changes since the last update is as follows:

- Effective December 21, 2017, the Adviser is no longer providing investment advisory services to an investor sponsored co-investment vehicle (Old Wagon Co-Invest, LP) as previously discussed and disclosed in the Brochure. In connection therewith, the Adviser has amended references and disclosures related to its client types in this Brochure, and has updated its regulatory assets under management disclosed in Item 4.
- Effective October 31, 2017 Old Ironsides Energy, LLC began providing investment advisory and management services to Old Ironsides Energy Fund III-A, LP, Old Ironsides Energy Fund III-B, LP, and Old Ironsides Energy Fund III-D, LP as advisory clients. Each of Old Ironsides Energy Fund III-A, LP, Old Ironsides Energy Fund III-B, LP, and Old Ironsides Energy Fund III-D, LP are pooled investment vehicles sponsored by Old Ironsides Energy, LLC and managed by an affiliate and “relying adviser,” Old Ironsides Fund III Management Company, LLC (a “Relying Adviser” and together with Old Ironsides Energy, LLC and Old Ironsides Fund II Management Company, LLC, the “Adviser”). Each of Old Ironsides Energy Fund III-A, LP, Old Ironsides Energy Fund III-B, LP, and Old Ironsides Energy Fund III-D, LP are exempt from registration as an investment company pursuant to Sections 3(c)(1) and 3(c)(7) of the Investment Company Act of 1940, as amended.
- Certain other routine updates, including revisions and additions to Item 4 describing our advisory business, Item 5 which includes detailed information about fees and expenses, additions to the risk factors contained in Item 8 and additional disclosure regarding conflicts of interests contained in Item 11.

Currently, our Brochure may be requested by contacting Ms. Andrea C. Haney, the Adviser’s Chief Compliance Officer at (617) 366-2046.

Additional information about the Adviser is also available via the SEC’s website www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with the Adviser who are registered, or required to be registered, as investment adviser representatives of the Adviser.

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Item 4 - Advisory Business

For purposes of this Brochure, the “Adviser” means Old Ironsides Energy, LLC, a Delaware limited liability company, together (where the context permits) with Old Ironsides Fund II Management Company, LLC and Old Ironsides Fund III Management Company, LLC, each a Delaware limited liability company and “Relying Adviser”, its affiliated general partners of the Funds (as defined below) and other affiliates that provide advisory services to and/or receive Management Fees from, the Funds (as defined below). Such affiliates may or may not be under common control with Old Ironsides Energy, LLC, but possess a substantial identity of personnel and/or equity owners with Old Ironsides Energy, LLC. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds, or may serve as general partners of the Funds (each a “General Partner” and, collectively, the “General Partners”).

The Adviser is an investment advisory firm located in Massachusetts that specializes in making long-term private equity and equity-related investments in the upstream and midstream oil and gas sectors as well as making investments in working interests in oil and gas projects. The Adviser provides investment advisory services to pooled investment vehicles (the “Funds” or the “Clients”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The Adviser was formed in 2013 by Messrs. Scott Carson, Gregory Morzano, Sean O’Neill, and Daniel Rioux, the principals of the Adviser (the “Principals”). The Principals are the equity owners of the Adviser.

Old Ironsides Fund II Management Company, LLC was formed in 2014 and serves as manager to the following Funds:

- Old Ironsides Energy Fund II-A, LP
- Old Ironsides Energy Fund II-B, LP
- Old Ironsides Energy Fund II-D, LP

Old Ironsides Fund III Management Company, LLC was formed in 2017 and serves as manager to the following Funds:

- Old Ironsides Energy Fund III-A, LP
- Old Ironsides Energy Fund III-B, LP
- Old Ironsides Energy Fund III-D, LP

Each Relying Adviser is a wholly owned subsidiary of Old Ironsides Energy, LLC.

Investment advisory services include working with Clients to establish an investment objective and selecting portfolio investments utilizing the Adviser’s overall investment strategy, which focuses on making private equity investments in the upstream and midstream oil and gas sectors and making investments in working interests in oil and gas projects. The Adviser’s advisory services also consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Clients, managing and monitoring the performance of such investments and disposing of such investments. The Adviser may serve as the investment adviser or General Partner to the Clients in order to provide such services.

The Adviser provides investment supervisory services to each Client in accordance with the limited partnership agreement (or analogous organizational document) of such Client or separate investment and advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Clients, subject to the discretion and control of the applicable General Partner, and not individually to the investors in the Clients. Services are provided to the Clients in accordance with the Advisory Agreements with the Clients and/or organizational documents of the applicable Client. Investment restrictions for the Clients, if any, are generally established in the organizational or offering documents of the applicable Client, Advisory Agreements and/or side letter agreements negotiated with investors in the applicable Client (such documents collectively, a Client’s “Organizational Documents”).

While each of its Clients generally follows the strategy stated above, the Adviser may tailor the specific advisory services with respect to each Client based on the individual investment strategy of each Client.

The Adviser does not participate in wrap fee programs.

As of December 31, 2017, the Adviser managed approximately \$1,903,854,958 in portfolio assets, all of which were managed on a discretionary basis.

Item 5 - Fees and Compensation

The Adviser or its affiliates generally receive Management Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Fund. Additionally, consistent with the Organizational Documents of a Client, the Client typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Client and/or the portfolio companies. Below is a discussion of how the Adviser is generally compensated in connection with providing advisory services to its Clients. As described below in more detail, the Adviser may enter into different fee arrangements on a Client by Client basis.

It is critical that investors and prospective investors refer to a Client’s Organizational Documents for a complete understanding of how the Adviser and the applicable General Partner are compensated for advisory services and what organizational and operational expenses are charged to the Client and ultimately borne by investors. The information contained herein is a summary only and is qualified in its entirety by the Client’s Organizational Documents. Investors and prospective investors are advised that they should consult with their own legal, financial, tax, and other advisers when making any investment decision.

Management Fees

For its services to each Fund, the Adviser receives a management fee (the “Management Fee”) which is based on a percentage of assets under management or a percentage of capital commitments. With respect to the Funds, prior to the end of the investment period for each Fund, the Adviser receives a Management Fee based on a percentage of total capital commitments to the Funds. After the investment period, the Management Fee with respect to the Funds is based on percentage of assets under management. Management Fees paid by a Fund may also be reduced by other fees or compensation received by the Adviser or its affiliates that relate to such Fund’s activities and investments, or by certain organizational or other expenses borne by such Fund, as

described in more detail below. Management Fees paid by a Fund are indirectly borne by investors in such Fund.

The annual Management Fee is paid quarterly in advance. The Adviser will refund any pre-paid Management Fees by a Fund if the Advisory Agreement with such Fund is terminated before the end of the billing period. Management Fee refunds are calculated on a pro-rata basis for partial periods.

The precise amount of, and the manner and calculation of, the Management Fees for each Fund are established by the Adviser and are set forth in such Fund's Organizational Documents received by each investor prior to making investment in such Fund. The Management Fees and other fees and distributions described herein are generally subject to modification, waiver, or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Fund. The fee structures described herein may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund.

As more fully described below, the Adviser or its affiliates may charge Other Fees (as defined below); however, the Adviser's Management Fee with respect to the Funds is reduced by 100% of all such fees paid to the Adviser, net of expenses. Fees earned by the Adviser, if any, in connection with transactions not completed with respect to the Funds are to be paid first to offset expenses associated with such transaction and, thereafter, to the Adviser and credited 100% against the Management Fee. In addition, the Management Fee payable in any quarterly period shall be reduced by an amount equal to the aggregate amount of any private placement or finders' fee paid or reimbursed by the Funds to placement agents, finders or other third parties performing similar services in connection with the organization or funding of the Funds during any immediately preceding quarterly period. The amount and manner of such reduction, if any, is set forth in the Advisory Agreement and/or Organizational Documents of the applicable Fund. To the extent a reduction relates to more than one Fund, the Adviser shall allocate the resulting Management Fee reduction among the applicable Fund(s) in proportion to their interest (or prospective interest) in the portfolio company.

Other Fees

Additionally and as more fully described in the Clients' Organizational Documents, the General Partners of the Clients, the Adviser, or any of the Principals shall have the right to contract for and receive (i) financing fees, commitment fees, closing or other similar fees in connection with investments made by the applicable Client, (ii) directors' fees, monitoring fees, management fees, advisory fees, investment banking fees, structuring fees, success or other similar fees in connection with investments made by the applicable Client or from portfolio (whether paid in cash or in-kind) or (iii) break-up or other similar fees as a result of the failure to consummate an investment by the applicable Client (with the fees described in clauses (i) through (iii) being called "Other Fees"); provided, however, that 100% of the amount of such Other Fees so received, net of applicable related expenses (without duplication) shall reduce on a dollar-for-dollar basis any future payment of the Management Fee due.

Expenses

Adviser Expenses

To the extent provided in the Advisory Agreements and the Organizational Documents of the Clients, the Adviser will pay out of Management Fees certain expenses and costs associated with the performance of its services, including (A) the salaries, wages, and employee benefits of all officers, directors, and employees of the General Partner or an affiliate thereof; (B) office rent, utility charges, and equipment and furniture costs and expenses; and (C) any other general, administrative, and overhead expense, including insurance premiums relating to the matters described in this clause (C) and the preceding clauses (A) and (B); and (D) the fees and costs associated with any placement agent engaged by the Client, the General Partner, or any affiliate of the General Partner in connection with the formation of the Client.

Client Expenses

Each Client will bear legal and other organizational expenses, including all direct, out-of-pocket costs and expenses reasonably incurred either by the Client or by the General Partner or an affiliate thereof on behalf of the Client relating to the management, conduct, and operation of Client business, including (i) the fees and expenses associated with the preparation of the Client's financial statements and the reports and other information and the distribution of same to investors (including the fees and expenses of any electronic system or program utilized to deliver such reports and information to the investors), tax returns and Forms K-1, printing expenses, mailing and courier expenses, fees and expenses of establishing bank or custodial accounts, and insurance costs and expenses; (ii) the fees, costs, and expenses incurred in connection with investigating, negotiating, acquiring, holding, selling or exchanging of Investments, including (a) business development expenses (which shall include travel and entertainment expenses related to sourcing, developing and managing prospective or existing Investments) and the costs and expenses related to attending industry or trade association meetings, conferences and other similar events and (b) the fees and expenses of lawyers, accountants, petroleum engineers, landmen, appraisers or valuation agents, and environmental and other consultants, brokerage or finder's fees, investment banker's fees, commitment fees, underwriting discounts or sales fees; (iii) fees, costs, and expenses of the type described in clause (ii) above incurred in connection with potential or proposed but unconsummated transactions (including fees, costs and expenses which would have been allocable to a co-investor had the proposed co-investment transaction been consummated); (iv) amounts necessary to repay indebtedness of the Client or to pay interest on or fees associated with any indebtedness of the Client; (v) premiums for insurance protecting the Investments, the Client, the Adviser, the General Partner, the Principals and other covered person from liabilities to third persons in connection with the Client's affairs; (vi) legal, audit and other expenses incurred in connection with the registration of the offer and sale of Securities owned by the Client under the Securities Act and any applicable state or foreign securities laws, and the filing of any statement, form, or report by the Client in connection with its status as a private fund under the Advisers Act (including Form PF); (vii) legal, audit, regulatory, compliance, operational, consulting, risk assessment and accounting expenses of the Client; (viii) the costs and other amounts attributable to the Client's obligations under its governing documents to indemnify the Adviser, the General Partner, the Principals and other covered person; (ix) the costs and expenses attributable to the Advisory Committee and the conduct of its meetings (including travel and other related expenses incurred by members thereof in attending or participating in such meetings); (x) the costs and expenses attributable to the annual meetings of the limited partners, including the costs and expenses of the facilities, meals, outside speakers, activities and other hospitality, but excluding the limited partners' costs and expenses of traveling to and from such meetings; (xi) taxes and other governmental charges, fees and duties payable by the Client; (xii) any private placement or finders' fee paid or reimbursed by the Clients to placement agents, finders or other third parties performing similar services in connection with

the organization or funding of the Clients and (xiii) other extraordinary, nonrecurring expenses, including the costs and expenses of prosecuting or defending a litigation claim.

From time to time, the General Partner of a Client may create certain “special purpose vehicles” or similar structuring vehicles for purposes of accommodating certain tax, legal, and regulatory considerations of investors (“SPVs”). In the event the General Partner creates an SPV, consistent with the Organizational Documents of the Client, the SPV, and indirectly, the investors thereof, will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV.

Co-Investment Vehicle Expenses

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside the Client, may be formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will generally bear its pro rata portion of expenses incurred in the making of an investment.

If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction (“Dead Deal Costs”) would therefore be borne by the Client or Clients selected by the Adviser as proposed investors for such proposed transaction (including reverse termination fees, extraordinary expenses such as litigation costs and judgments and other expenses), and not by any prospective or expected co-investors. Similarly, co-investment vehicles are not typically allocated any share of break-up fees paid or received in connection with such an unconsummated transaction. Furthermore, to the extent a co-investment vehicle is formed in connection with a proposed but not consummated transaction, costs and expenses relating to such co-investment vehicle, may, in certain situations, be borne by another Client or Clients, regardless of whether such proposed transaction is consummated.

Allocation of Expenses

From time to time the Adviser will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or the Adviser on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Funds and/or other parties. Certain expenses may be the obligation of one particular Fund and may be borne by such Fund or, expenses may be allocated among multiple Funds and entities. In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser is faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Clients with differing fee, expense, and compensation structures, the Adviser has an incentive to allocate investment opportunities to the Clients from which the Adviser or its related persons derives, directly or indirectly, a higher fee, compensation, or other benefit. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

To the extent not allocated to a portfolio company, the Adviser will allocate fees and expenses incurred in the course of evaluating and making investments that are consummated between Clients in accordance with each Client’s Organizational Documents or, to the extent not addressed in such Organizational Documents, pro rata based on the respective total capital commitments of such Clients.

The appropriate allocation between Clients and third parties of expenses and fees generated in the course of evaluating potential investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith discretion, consistent with the Organizational Documents of the Clients, as applicable. If multiple Clients evaluate a potential investment that is not consummated, the Adviser generally allocates fees and expenses generated in the course of evaluating such investments among such clients based on the anticipated investment of each such Client. Such expenses are typically not allocated to co-investment vehicles.

With respect to allocating other expenses among Client(s), co-investment vehicles, and/or third parties, as appropriate, to the extent not addressed in the Organizational Documents of a Client, the Adviser will make any such allocation determination in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation. The Adviser will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Client for a particular service may not reflect the relative benefit derived by such Client from that service in any particular instance. Although the Adviser will endeavour to allocate such fees, costs and expenses on a fair and equitable basis as described herein, there can be no assurance that such fees, costs and expenses will in all cases be allocated appropriately.

Performance Fees

Additionally, a Fund may be charged a performance fee (sometimes referred to as “carried interest”) based on net profits (the “Performance Fee”). The Performance Fee for each Client will be negotiated with each such Client.

The Performance Fee, if any, will be calculated and billed or allocated periodically. With respect to the Funds, the General Partner of each Fund is entitled to receive an allocation of net profits subject to limited partners receiving all capital contributions, a stated preferred return, and in accordance with other provisions of the applicable Fund’s limited partnership agreement. Lower fees for comparable services may be available from other sources.

Brokerage Fees

The Adviser does not maintain any trading accounts and does not use “soft” dollars.

Please refer to Item 12, Brokerage Practices, for more information.

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

As stated in Item 5, the Adviser or its affiliates may receive performance-based fees (“Carried Interest”) or allocations from certain Clients. Each General Partner of a Fund is a related person of the Adviser. Carried Interest paid by a Fund is indirectly borne by investors in such Fund. Certain Funds and investors in such Funds may incur lower or no Carried Interest. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Performance-based fees in general (including the payment of Carried Interest at varying rates) creates an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee

arrangements may also create an incentive to favor higher fee paying clients over other clients in the allocation of investment opportunities. Generally, and except as may be otherwise set forth in the Organizational Documents of the Funds, this conflict is mitigated by (i) certain limitations on the ability of the Adviser to establish new investment funds, (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously, and/or (iii) contractual provisions and procedures setting forth investment allocation requirements. Please also see Item 11 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7 - Types of Clients

The Adviser provides investment advisory services to pooled investment vehicles organized as private funds--entities that are investment partnerships or other investment entities formed under domestic or foreign laws and are exempt from registration under the Investment Company Act of 1940, as amended. Each investor in a Fund must be a “qualified purchaser” for Investment Company Act purposes and a “qualified client” for Advisers Act purposes. Investors in the Clients may include, among others high net worth individuals, insurance companies, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities.

The minimum investment requirement for the Funds is \$10,000,000, though the General Partner of a Fund may accept investments of lesser amounts in its sole discretion.

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

Introduction

The Adviser’s primary investment objective is to pursue investment opportunities that possess potential for significant upside. The Adviser seeks to do this through leveraging its Principals’ proprietary network and industry knowledge to identify and source opportunities for its Clients to make investments in (i) private equity investments in the upstream and midstream oil and gas sectors and (ii) working interests in oil and gas projects.

Private Equity Investments

The Adviser seeks to make privately negotiated equity or equity-related investments in private companies in the upstream and midstream oil and gas sectors, including companies involved in the exploration and production of oil and gas as well as the transportation and processing of oil and gas from wellhead to pipeline.

The consideration of portfolio investment opportunity begins with the assessment of the company’s management team as well as a clear understanding of the potential value of the underlying assets. The Adviser seeks to partner with superior management teams that show operational capabilities and an expertise in specific geography or geological formations and will evaluate management capabilities over time, including their ability to exploit competitive advantage and create incremental value for the company.

In considering an opportunity, the Adviser also considers whether there is opportunity for active involvement by the Adviser in strategic and asset development so that the Adviser can mitigate risk

and maximize value for Client portfolios through providing management teams with market intelligence, additional transactional opportunities, and access to operational best practices.

The Adviser also seeks to leverage the transactional experience and industry knowledge of its Principals to identify and mitigate risk factors with respect to Client portfolio investments by (i) structuring investments to develop flexible deal terms and quickly evaluate transaction opportunities; (ii) leverage industry networks and knowledge to assess portfolio investments; and (iii) time exits to maximize investments by analyzing each company's development risk and overall market conditions.

Working Interest Investments

The Adviser implements a process of disciplined and opportunistic acquisition of oil and gas properties and develops these assets with the goal of cost reductions and performance optimization. The Adviser then seeks strategic asset divestitures in addition to acquiring properties with proved reserves possessing significant development potential. The Adviser then seeks to build diversified energy portfolios that reflect a balanced product distribution with oil, natural gas, and natural gas liquids. The goal of this investment focus is to create value by proving the reserve potential of an asset and providing a current return from the production of oil and gas, while establishing further economic upside from the development of the non-producing component.

The Adviser focuses primarily on asset transactions with proved and probable oil and gas reserves in North America with development upside. In particular, the Adviser invests in properties with parties it believes to be superior operators. The Adviser seeks to pursue opportunistic transactions that present significant upside potential and are consistent with a particular Client's investment objective and the Adviser's overall investment philosophy.

Risk of Loss

As more fully discussed below, investing involves risk of loss that Clients should be prepared to bear.

The Adviser's investment strategy focuses on private equity transactions and working interest investments which involve high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. Investors in the Funds are provided with a private placement memorandum that sets forth a more detailed discussion of these risks, conflicts of interest and the tax, legal, and regulatory matters associated with the Funds. The discussion in the private placement memorandum does not purport to be a complete explanation of all the risks, and significant considerations involved in an investment in a Fund, and investors in a Fund are advised that they should consult with their own legal, financial, tax and other advisers before making any investment decision. Similarly, the risk factors below are not intended to be exhaustive.

Business Risks; Nature of Investments. A Client's investment portfolio consists primarily of interests in privately held assets, and operating results in a specified period are difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses. The investments made by the Adviser are speculative in nature and the possibility of partial or total loss of capital exists.

Future and Past Performance. The prior performance of the Principals is not necessarily indicative of the Adviser's future results. While the Adviser intends for each Client to make investments that

have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Concentration of Investments. A Client's portfolio may participate in a limited number of investments all of which will be in the oil and gas industry. As a result, the Adviser's strategy does not provide Clients with the diversity available through the ownership of interests in other entities that invest in different types of businesses. Further, oil and gas-related investments tend to be long-term and are generally difficult to liquidate, particularly in a short period of time. Therefore, it may be difficult for the Adviser to respond quickly to changing conditions or to liquidate its assets quickly.

Difficulty of Locating Suitable Investments. The activity of identifying, completing and realizing on appropriate investments is highly competitive and involves a high degree of uncertainty. The Adviser is competing for investments with other investors, including individual investors, other partnerships, institutional investors, and publicly held oil and gas companies. In general, the availability of desirable investment opportunities and the Adviser's investment returns are affected by conditions in the financial markets and general economic conditions. There can be no assurance that the Adviser will be able to locate and complete investments that satisfy a Client's investment criteria and rate of return objectives.

Limited Information; Accuracy of Information. In certain circumstances, the Adviser may not receive access to all available information to determine fully the manner in which the assets or the entities underlying the investments have been operated. Further, the Adviser may select investments for a Client, in part, on the basis of information and data made available to the Adviser by third parties.

Although the Adviser evaluates all such information and data and ordinarily seeks independent corroboration when the Adviser considers it is appropriate and when such corroboration is reasonably available, the Adviser may not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available.

Leveraged Instruments. The Adviser may make use of leverage by incurring debt to finance a portion of a Client's investment in a given asset. Leverage generally magnifies both a Client's opportunities for gain and its risk of loss from a particular investment. The use of leverage may increase the exposure of investments to adverse economic factors such as rising interest rates, commodity price downturns, and severe economic downturns. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast. During times when credit markets are tight, it may be difficult to obtain or maintain the desired degree of leverage. The failure to obtain leverage at the contemplated schedules, pricing and other terms could have a material adverse effect on a Client.

Use of Leverage. Clients, and related investment vehicles (including joint ventures that the Adviser controls), may, from time-to-time, borrow funds or enter into other financing arrangements for various reasons, including, depending on the Client or related investment vehicle, to pay expenses for a Client or related investment vehicle, to pay Management Fees, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), develop investments and cover expenses related to an investment, to make payments under hedging transactions, to cover any shortfall resulting from an investor's default or exclusion. If a Client or related investment vehicle borrows in lieu of calling capital to fund the acquisition or

follow-on of an investment, the borrowing would be used for all investors in such Client or related investment vehicle on a pro-rata basis, including the General Partner. In addition, credit facilities for certain Clients are available to provide borrowed funds directly to the portfolio companies of such Clients, in which case such borrowed funds would be guaranteed by such Clients.

To the extent a Client and related investment vehicles uses borrowed funds in advance or in lieu of capital contributions, such Client's investors generally make correspondingly later capital contributions, but the Client will bear the expense of interest on such borrowed funds. As a result, the use of borrowed funds at the Client, related investment vehicle or Fund level can impact calculations of returns (e.g., IRR and MoM), as these calculations generally depend on the amount and timing of capital contributions. While the Client will bear the expense of borrowed funds, such borrowings can also increase the carried interest received by the Client's General Partner by decreasing the amount of distributions from the Client that are required to be made to Client investors in satisfaction of any preferred return. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner may receive disproportionate benefits from such borrowings.

Borrowing by the Client will generally be secured by capital commitments made by the investors to the Client and/or by the Client's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Client-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Client may cause the realization of UBTI.

In addition to financing at the Client or Fund level, most Client portfolio companies employ leverage at the portfolio company level as well. While investments in leveraged companies offer the opportunity for greater capital appreciation, such investments also involve a higher degree of risk. The Clients' investments involve varying degrees of leverage, as a result of which recessions, operating variances, and other general business and economic risks (as well as particular risks associated with investing in the industries targeted by the Clients) have a more pronounced effect on the profitability or survival of such portfolio companies. Moreover, rising interest rates may significantly increase portfolio companies' interest expense, which may cause losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the Clients will likely suffer a partial or total loss of capital invested in the portfolio company. These risks exist with respect to leverage provided at the Client or Fund level as well.

Reliance on the Adviser. A Client account's future profitability depends largely upon the business and investment acumen of the Adviser and the Principals. The loss of service of one or more of the Principals could have an adverse effect on the Adviser's ability to realize its investment objectives.

Substantial Fees and Expenses. The Funds will pay management fees and other costs and expenses whether or not they make any profits. While it is difficult to predict the future expenses of the Funds, such expenses may represent a substantial percentage of the Funds' assets.

Junior Securities. In an investment in a portfolio company, the securities owned by a Fund may be among the most junior in such portfolio company's capital structure. A portfolio company may have senior indebtedness, all or a portion of which may be secured or senior to any investment by such Fund. As a result of the foregoing, such Fund's investment may be subject to the greatest risk of loss of all such portfolio company's securities.

Projections. Projected operating results of an entity in which the Adviser invests normally are based primarily on financial projections prepared by parties other than the Adviser. In all cases, projections are only estimates of future results that are based upon information received from such third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections.

Follow-On Investments. Following its initial investment in a given asset, the Adviser may provide additional funds to such asset or may have the opportunity to increase its investment in a successful asset. There is no assurance that the Adviser will make follow-on investments or that a Client account will have sufficient funds to make all or any of such investments. Any decision by the Adviser not to make follow-on investments or its inability to make such investments may have a substantial negative effect on an asset in need of additional funds to continue operations or achieve profitability.

Hedging Policies/Risks. The Adviser may employ hedging techniques designed to protect a Client against adverse movements in interest rates, commodity prices, and other risks. While such transactions may reduce certain risks, the transactions themselves may entail certain other risks. Thus, while a Client may benefit from the use of these hedging mechanisms, unanticipated changes in commodity prices, interest rates, or other factors may result in a poorer overall performance for the Client than if it had not entered into such hedging transactions.

Risks Related to Private Oil and Gas Companies and Projects. The companies and projects in the energy industry in which the Adviser invests are inherently subject to numerous risks arising from their operations. For example, companies involved in the production of oil and natural gas face risks that include, without limitation: (i) the uncertainty of estimating hydrocarbon reserves and their value; (ii) the risks of conducting drilling operations (including risks of substantial losses to properties, bodily injury and environmental damage arising from operations that do not proceed as planned, and the risk of failing to find commercially productive reserves); (iii) risks associated with the marketing of hydrocarbon production; (iv) risks of compliance with increasingly burdensome environmental regulations and other regulations governing the production of natural resources; (v) geopolitical risks associated with governments who play significant roles in the production and distribution of natural resources; and (vi) risks of catastrophic and other force majeure events.

Risks Related to Oil and Gas Development. Exploration, drilling, and development of oil and gas properties are not exact sciences and involve a high degree of risk. There is no assurance that the Adviser's activities in the oil and gas industry will yield sufficient oil or gas production or other operating revenues that will be profitable for Clients. During the drilling and completion of any oil or gas wells in which the Adviser participates, the Adviser could encounter hazards including unusual or unexpected formations, pressures or other conditions, blow-outs, fires, failure of equipment, and downhole collapses. There can be no assurance that in the event of such problems that the Adviser will have sufficient funds to solve such problems.

Importance of Future Prices, Supply and Demand for Oil and Gas. Revenues generated from production activities in the oil and gas industry will be highly dependent on the future prices and demand for oil and gas. Factors which may affect prices and demand for oil and gas include, without limitation: (i) the worldwide supply of oil and gas; (ii) the price of oil and gas produced in the United States or imported from foreign countries; (iii) consumer demand for oil and gas; (iv) the price and availability of alternative fuels; (v) federal and state regulation; and (vi) national and worldwide economic and political conditions.

Illiquidity of Fund Interests. Fund interests should be considered long-term, illiquid investments. There is no public market for the Fund interests and none is expected to develop; the Fund investors must be willing to bear the economic risk of an investment for an indefinite period of time. There are substantial restrictions upon the transferability of the Fund interests; the Fund interests are not transferable except with the consent of the General Partners of the Funds, which generally may be withheld by the General Partner in its sole discretion, may not be transferred unless registered under applicable securities laws or unless an exemption from such laws is available, and are subject to the terms and conditions of the applicable Fund partnership agreement. Fund investors generally may not withdraw capital from the Funds, and the Fund interests are not redeemable. Consequently, Fund investors may not be able to liquidate their investments prior to the end of a Fund's term.

Fee Interest of Institutional Investor. Pursuant to agreements between the Adviser and an institutional investor (the "Institutional Investor"), the Institutional Investor is entitled to receive a portion of the Performance Fees, if any, related to the fund in which it is invested.

Potential Conflicts of Interests. The Funds may be subject to certain conflicts of interest arising out of its relationship with the General Partner of a Fund and its affiliates. Certain provision of the Funds' partnership agreements are designed to protect the interests of the Fund investors in situations where conflicts may exist, and the Funds' Advisory Committee will be consulted on transactions involving conflicts of interest, although these provisions do not eliminate such conflicts of interest. The agreements and arrangements among the Funds, the general partner, and their respective affiliates, including those relating to compensation, have been established by the General Partner and are not the result of arm's-length negotiations. For more information on potential conflicts of interest and how the Adviser resolves such conflicts, please refer to Item 11.

Legal, Regulatory and Tax Risks. As more fully explained in the Funds' private placement memorandum, the Adviser and the Funds are subject to an extensive framework of complex laws, rules, and regulations. Changes in these laws or in the interpretation or enforcement may adversely impact the operation of the Adviser and the value of a Fund's investments in a manner that is not possible to predict. The laws and rules relating to the taxations of investments are extremely complex and may require the Fund to take tax positions without clear authority. If these positions are successfully challenged by taxing authorities, additional tax, interest, and possibly penalties might be payable by a Fund or its investors. Investors outside of the U.S. often face additional uncertainty in the application of tax and other laws both in the U.S. and in the jurisdictions in which they operate.

Recent Financial Market Fluctuations. General fluctuations in the market prices of securities and economic conditions generally, particularly of the type experienced since 2008, may reduce the availability of attractive investment opportunities for the Clients and may affect the Clients' ability to make investments and the value of the investments held by the Clients. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Clients' investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present and it may well continue to be volatile for the foreseeable future. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic

conditions at the time of such realizations. In the past, many private equity Clients have looked to the public securities markets as a potential exit strategy and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that Clients will be able to exit from their investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Client to sell these securities when the Adviser believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Clients to buy, sell, and partially dispose of their portfolio company investments. The Clients may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Client may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted. The ability of portfolio companies to refinance debt securities will depend on their ability to sell new securities in the public high yield debt market or otherwise.

Political Events and Changes in Law. The Funds' investment activities and the value of their investments may be adversely affected by political events that are beyond their control. For instance, the outbreak of hostilities, election results, stalemates between branches of government over budgetary and other matters, or the death of a major political figure may have a significant adverse effect on the Funds' investment results. In addition, changes in U.S. federal or state laws, bank regulatory policies and accounting standards, as well as legislative acts, rulemaking, adjudicatory or other activities of Congress, the Securities and Exchange Commission, the Federal Reserve Board, the New York Stock Exchange, FINRA and other governmental or quasi-governmental bodies, agencies and regulatory organizations may adversely impact the Funds' business and their investments.

Valuation of Assets. There is no actively traded market for most of the securities owned by the Clients. When estimating fair value, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts, and circumstance of the investments. Valuations are subject to multiple levels of review for approval, and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties, and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Client's assets. With respect to the Clients, the exercise of discretion in valuation by the Adviser will give rise to conflicts of interest, valuations impact the Adviser's track record and the performance allocation in certain Clients is calculated based, in part, on these valuations and such valuations affect the amount and timing of performance fees and calculation of advisory fees.

Cybersecurity Risk. The Adviser, the Clients' service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Clients and their investors, despite the efforts of the Adviser and the Clients' service providers to adopt technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to the Client and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Adviser, the Clients' service

providers, counterparties, or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of the Adviser's systems to disclose sensitive information in order to gain access to the Adviser's data or that of the Clients' investors. A successful penetration or circumvention of the security of the Adviser's systems could result in the loss or theft of an investor's data or Clients, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Clients, the Adviser, or their service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. In addition, the Adviser may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse investor reaction or litigation.

Similar types of operational and technology risks are also present for the companies in which the Clients invest, which could have material adverse consequences for such companies, and may cause the Clients' investments to lose value.

Item 9 - Disciplinary Information

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

Item 10 - Other Financial Industry Activities and Affiliations

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

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

As discussed in Item 4, the Adviser currently has two relying advisers, Old Ironsides Fund II Management Company, LLC and Old Ironsides Fund III Management Company, LLC.

In connection with sponsoring any Fund, the Adviser will also sponsor an affiliated General Partner for such Fund (the "General Partner"), which will receive the performance compensation described in Item 5. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

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

Code of Ethics

The Adviser has adopted a written Code of Ethics (the "Code") applicable to all of its members, officers, employees, as well as officers and employees of its affiliates and certain independent

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

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

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

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

Participation in Client Transactions

Neither the Adviser nor any of its related persons recommend to Clients investments in which the Adviser or any related persons have a material financial interest.

In connection with sponsoring the Funds, the Adviser and certain affiliates have an economic interest in the Funds, the General Partner of the Funds, or both. Additionally, the governing documents of the Funds generally provide that the general partner has sole discretion to offer co-investment opportunities in a potential investment to any person (including other parties advised by the General Partner, or other related persons of the General Partner). A Fund or its General Partner, as applicable, may reduce all or a portion of the Management Fee and Performance-based fees related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Conflicts of Interest

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

Resolution of Conflicts

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

- (1) A Client will not make an investment unless the Adviser believes that such investment is an appropriate investment considered from the viewpoint of such Client;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Organizational Documents for the Clients;
- (3) Generally, the General Partner of the Funds has established an Advisory Committee composed of representatives of Fund investors. While the Advisory Committee will not have a direct role in management of the Funds, the Advisory Committee may be consulted with respect to transactions involving conflicts of interest;
- (4) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and
- (5) Prior to subscribing for interests in a Client, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Client.

In addition, certain provisions of a Client's governing documents are designed to protect the interests of investors in situations where conflicts may exist, although these provisions do not eliminate such conflicts. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Client and its ability to achieve its investment objectives.

Conflicts

The material conflicts of interest encountered by a Client include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Client. Other conflicts may be disclosed throughout this brochure, and the brochure should be read in its entirety for other conflicts.

Allocation of Investment Opportunities

In connection with its investment activities, the Adviser may encounter situations in which it must determine how to allocate investment opportunities among various clients and other persons, which may include, but are not limited to, the following:

- The Clients;
- Any co-investment vehicles that have been formed to invest side-by-side with one or more

Funds in all or particular transactions entered into by such Client(s) (the investors in such co-investment vehicles may include employees, business associates and other “friends and family” of the Adviser or its personnel (“Adviser Investors”), and/or third parties;

- Adviser Investors and/or third parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Clients in particular transactions entered into by such Client(s); and
- Adviser Investors and/or third parties acting as “co-sponsors” with the Adviser with respect to a particular transaction.

The Adviser has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith.

The Clients are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”). Investment Allocation Requirements are generally set forth in the instrument under which the Client was established (such as a Client’s Organizational Documents). To the extent the Investment Allocation Requirements of a Client do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Clients, the Adviser will follow the process set forth below.

The Adviser must first determine which Clients will participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Client(s), based on the Client’s investment objectives, strategies, and structure. A Client’s investment objectives, strategies, and structure typically are reflected in the Client’s Organizational Documents. Prior to making any allocation to a Client of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Client(s). Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Adviser may be required to offer an investment opportunity to one or more Clients. This obligation to offer investment opportunities will generally be set forth in a Client’s Organizational Documents.
- **Related Investments:** the Adviser may offer an investment opportunity related to an investment previously made by a Client(s) to such Client(s) to the exclusion of, or resulting in a limited offering to, other Clients.
- **Legal and Regulatory Exclusions:** the Adviser may determine that certain Clients or investors in such Clients should be excluded from an allocation due to specific legal, regulatory, and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Clients that will participate in a particular investment have been identified, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Clients. In allocating such investment opportunity, the Adviser may consider some or all of a wide range of factors, which include, but are not necessarily limited to, one or more of the following:

- Each Client’s investment objectives and investment focus;
- Time horizon and life cycle;
- Transaction sourcing;
- Each Client’s liquidity and reserves;

- Each Client's diversification;
- Lender covenants and other limitations;
- Any "ramp-up" period of a newly established Client;
- Amount of capital available for investment by each Client as well as each Client's projected future capacity for investment;
- Each Client's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment and anticipated holding period of the portfolio company;
- Composition of each Client's portfolio;
- The suitability as a follow-on investment for a current portfolio company of a Client;
- The availability of other suitable investments for each Client;
- Supply or demand of an investment opportunity at a given price level;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the Organizational Documents of each Client.

The Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Client or (ii) the profitability of any Client. There can be no assurance that the application of the Investment Allocation Requirements and factors set forth above will result in a Client participating in all investment opportunities that fall within its investment objectives.

In addition, principal executive officers and other personnel of the Adviser invest indirectly in and may be permitted to invest directly in Funds and therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund and may create an incentive to allocate particularly attractive investment opportunities to the Client in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Client.

The allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While investment opportunities will be allocated in a manner that the Adviser believes in good faith is fair and equitable under the circumstances over time and considering relevant factors, there can be no assurance that each Client's actual allocation of an investment opportunity, if any, or the terms on

which that allocation is made, will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.

Allocation of Co-Investment Opportunities and Secondary Transactions

The Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to the Adviser and/or the Funds or management teams of the applicable portfolio company, certain strategic investors, and other investors whose allocation is determined by the Adviser to be in the best interest of the applicable Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Funds' Organizational Documents and as set forth in the following paragraphs.

As more fully described in the Funds' Organizational Documents, and except as otherwise disclosed to investors, generally with respect to any available co-investment opportunity, the General Partner of a Fund, in its sole discretion, may (but is not obligated to) offer co-investment opportunities to any (including limited partners), in each case on terms to be determined by the General Partner in its sole discretion. Factors that the General Partner may consider in determining whether to offer a limited partner a co-investment opportunity include: (i) the amount of the Limited Partner's capital commitment to such Fund; (ii) if the limited partner was an investor in a prior Fund and the amount of such limited partner's capital commitment to such prior Fund; (iii) the amount the limited partner is willing to commit to a co-investment opportunity; (iv) the amount of time the limited partner will require in order to obtain the requisite internal approval of a co-investment opportunity; (v) the willingness of the limited partner to permit the General Partner to negotiate the terms of a co-investment opportunity and to defer to the General Partner with respect to all material elections and determinations with respect to such co-investment opportunity; and (vi) the General Partner's and the Adviser's experience in dealing with the limited partner.

A Client may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of such Client, or may be in a position to take action contrary to the investment objectives of such Client. In addition, such Client may in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that such Client's return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

In the event the Adviser determines to offer an investment opportunity to co-investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund, or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater

concentration and have exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, generally taking into account the following factors:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen, and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or the Adviser and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject the Adviser, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media, or other burdens;
- Requirements in such Fund's Organizational Documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

A purchaser's potential investment into another Fund (including any commitment to a future fund) may be considered, but will not be the sole determining factor considered by the Adviser in determining whether to grant or withhold its consent to a secondary transfer of interests in a Fund.

Conflicts Related to Purchases and Sales

Conflicts may arise if a Client makes investments in conjunction with an investment being made by other Clients or in a transaction where another Client has already made an investment. Investment opportunities are, from time to time, appropriate for Clients at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these Clients may invest in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise conflicts of interest, particularly in Clients that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Clients may or may not provide such additional capital, and if provided each Client will supply such additional capital in such amounts, if any, as determined by the Adviser. In addition, a conflict arises in allocating an investment opportunity if the potential investment target could be acquired by either a Client or a portfolio company of another Client. Investments by more than one client of the Adviser in a portfolio company also raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser, or that a client may remain passive in a situation in which it is entitled to vote. The Adviser may also express inconsistent or contrary views of commonly held investments or of market conditions more generally. Employees and related persons of the Adviser and its affiliates have made or may make capital investments in or

alongside certain Clients, and therefore often have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Client participating in a transaction would be equal to and not less than another Client participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A Fund may invest in opportunities that other Funds have declined, and likewise, a Fund may decline to invest in opportunities in which other Funds have invested.

From time to time, the Adviser may, in its discretion, enter into transactions with investors in one or more Clients to dispose of all or a portion of certain investments held by one or more Clients. In exercising its discretion to select the purchaser(s) of such investments, the Adviser may consider a variety of factors it determines relevant in its sole discretion. The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Client(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Client(s). Any such transactions will comply with the Organizational Documents of the applicable Client(s).

A Client may sell down an interest in its portfolio companies to co-investors. Subject to the Organizational Documents, the Adviser may charge (or may decide not to charge) a co-investor (such as a Fund Investor or third party) interest costs for the time period between the closing of the applicable Client's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

Cross Transactions

In certain cases, the Adviser may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. To address these conflicts of interest, in connection with effecting such transactions, the Adviser will follow the Investment Allocation Requirements of the relevant Funds (e.g., the Organizational Documents of certain Funds may provide for the rebalancing of investments at certain times and at a cost set forth in those Organizational Documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund). Furthermore, any cross transaction must be reviewed and approved by the Adviser's Chief Compliance Officer.

To the extent such matters are not addressed in the Investment Allocation Requirements, the Adviser's Chief Compliance Officer will be responsible for confirming that the Adviser (i) considers its respective duties to each Fund, (ii) determines whether the purchase or sale price and other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms, and (iii) obtains any required approvals of the transaction's terms and conditions.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “principal transaction”), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. In connection with the Adviser’s management of the Clients, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Client(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

Management of the Clients

The Adviser manages a number of Clients that may have investment objectives that are the same or similar to each other. The Adviser expects that it or its personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Clients. Allocation of available investment opportunities between the Clients and any such investment fund could give rise to conflicts of interest. See “*Allocation of Investment Opportunities Among Clients*” above. The Adviser may give advice or take actions with respect to, the investments of one or more Client that may not be given or taken with respect to other Clients with similar investment programs, objectives or strategies. As a result, Clients with similar strategies may not hold the same securities or achieve the same performance. In addition, a Client may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Client. These differences may result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that employees of the Adviser responsible for managing a particular Client will have responsibilities with respect to other Clients managed by the Adviser, including funds raised in the future or to proprietary investments made by the Adviser and/or its principals of the type made by a Fund. Conflicts of interest arise in allocating time, services or functions of these officers and employees.

The Adviser may consider and reject an investment opportunity on behalf of one Fund, and the Adviser or an affiliate of the Adviser may subsequently determine to have another Fund make an investment in the same company. A conflict of interest arises because one fund will, in such circumstances, benefit from the initial evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the original Fund considering the investment. In such circumstances, the benefitting fund or funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment.

The Clients will enter into borrowing arrangements that require the Clients to be jointly and severally liable for the obligations. If one Client defaults on such arrangement, the other Clients may be held responsible for the defaulted amount. The Clients will only enter into such joint and several borrowing arrangement when the Adviser determines it is in the best interests of the Clients.

Follow-on Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Client in a portfolio company in which another Client has previously invested. In addition, a Client may participate in releveraging and recapitalization transactions involving portfolio companies in which another Client has already invested or will invest. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Conflicts Relating to the General Partner and the Adviser

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

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

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

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

Fee Structure

Because there is a fixed investment period after which capital from investors in the Funds will only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure creates an incentive to deploy capital when the Adviser would not otherwise have done so.

Additionally, as discussed above in Item 6, the General Partners of the Funds are entitled to Performance Fees under the terms of the Organizational Documents of such Funds. Such General Partners are affiliates of the Adviser. The existence of the General Partners' Performance Fees creates an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

Pursuant to the Organizational Documents, the General Partner may be required to return excess amounts of Performance Fees as a "clawback". This clawback obligation may create an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

Diverse Membership

The investors in the Clients are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax, and other interests with respect to their investments in a Client. The conflicting interests among the investors generally relate to or arise from, among other things, the nature of investments made by a Client, the structuring of the acquisition of investments, and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Client, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Client, not the investment, tax, or other objectives of any investor individually.

Business with Portfolio Companies and Investors

The Adviser generally has an incentive to recommend the products or services of certain investors or prospective investors in the Clients, certain third parties, or their related businesses to the Clients or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Clients or the portfolio companies.

In addition, certain portfolio companies controlled by a Client may engage in activities that could adversely affect another Fund and/or its portfolio company, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that may not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This may result in the assets of a Client and/or a portfolio company being used to satisfy the obligations or liabilities of another Client or its portfolio company.

The Advisers and/or its affiliates may engage in business opportunities arising from a Client's investment in a portfolio company (for example, without limitation, entering into a joint venture

with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Client's investment and may vary from the applicable Client's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Client).

In certain instances, a Client's portfolio company competes with, is a customer of, or is a service provider to, another Client's portfolio company. In providing advice to a portfolio company's business, the Adviser is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Clients. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to a separate portfolio company owned by another Client.

The Adviser may in the future cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies, and discounted due to scale), benefits management, data management and/or mining, technology development, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale) and other similar operational initiatives that may result in fees, better pricing, rebates, commissions or similar payments and/or discounts being paid to the Adviser, its affiliates or a portfolio company (including related to a portion of the savings achieved by a portfolio company). While the Adviser may have a conflict of interest because its economic benefit may incentivize the Adviser to maintain such arrangements, the Adviser believes that such arrangements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing and the Adviser's benefits from such arrangements are reduced because the Adviser only benefits at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with, the Adviser will only take actions that are beneficial to, or not opposed to, the interests of a Client and its portfolio companies.

Certain members of a Fund's Advisory Committee are, or in the future may be, officers or directors of, or otherwise affiliated with, investors in another Fund. The General Partner of a Fund will, from time to time, utilize the services of investors and their affiliates on an arm's length basis with commercially reasonable terms, as it deems appropriate.

Service Providers

The Adviser and/or its affiliates may engage certain service providers to provide services to the Adviser, the Clients, and/or the portfolio companies, including services during the due diligence and acquisition process. Such service providers may be, in certain circumstances, investors in a Client or affiliates of such investor and may include, for example, investment or commercial bankers, outside legal counsel, pension consultants, and/or other investors who provide services (including mezzanine and/or lending arrangements). The engagement of any such service provider may be concurrent with an investor's admission to a Client or during the term of such investor's investment in the Client. This creates a conflict of interest, as the Adviser may give such investor preferred economics or other terms with respect to its investment in a Client or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor.

Additionally, employees of the Adviser or its affiliates and/or their family members or relatives may have ownership, employment, or other interests in such service providers. These relationships that an Adviser may have with a service provider can influence the Adviser in determining whether to select, or recommend such service provider to perform services for a Client or a portfolio

company. The Adviser will have a conflict of interest with the Clients in recommending the retention or continuation of a service provider to the Clients or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Clients or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. Although the Adviser selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the relevant Client(s)), there is a possibility that the Adviser, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. While the Adviser often does not have visibility or influence regarding advantageous service rates or arrangements, there will be situations in which the Adviser receives more favorable service rates or arrangements than the Clients or their portfolio companies.

The Adviser or its affiliates and service providers, often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Clients and/or its portfolio companies, the Adviser and its affiliates will pay different rates and fees than those paid by the Clients and/or its portfolio companies.

Positions with Portfolio Companies

The Principals and certain investment personnel of the Adviser serve as directors of, or observers on boards with respect to, certain portfolio company investments and, in that capacity, are required to make decisions that they consider to be in the best interests of such portfolio companies and their equity holders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interest of the portfolio company may not be in the best interests of the Adviser's Clients, and vice versa. Accordingly, in these situations, there will be conflicts of interests between such individual's duties as a Principal or employee of the Adviser and such individual's duties as a director of the portfolio company investment.

Decisions made by a director may subject the Adviser, its affiliate or a Client to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims.

From time to time employees of the Adviser may also be asked to serve as directors of, or observers with respect to, certain entities in which a Client has fully exited its ownership interest. Such companies are not portfolio companies of the Client and as a result, any compensation received by such Adviser employee is not subject to the Advisory Fee offset described above, or otherwise shared with the Clients and/or investors.

Side Letter Agreements; Advisory Committee Rights

The Adviser often enters into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms. Except as otherwise agreed with an investor, the Adviser (or applicable General Partner) is not required to disclose the terms of side letter arrangements with other investors in the same Fund.

Generally, each Fund has established an Advisory Committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the Advisory Committee. The Advisory Committee has the ability to approve conflicts of interests with respect to the Adviser and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the Advisory Committee. Representative of the Advisory Committee may have various business and other relationships with the Adviser and its partners, employees and affiliates. These relationships may influence the decisions made by such members of the Advisory Committee.

In addition, members of one Client's Advisory Committee may also be a member of another Client's advisory committee. In such instances, a conflict of interest exists because the Clients on which such overlapping Advisory Committee members may have conflicting interests and such Advisory Committee members may be requested to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

Other Potential Conflicts

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

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

The Adviser and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Client, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Client expenses may result in "miles" or "points"

or credit in loyalty/status programs to the Adviser and/or its personnel, and such rewards and/or amounts will exclusively benefit the Adviser and/or such personnel and will not be subject to the offset arrangements described above or otherwise shared with such Client, its investors, and/or the portfolio companies.

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

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

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

Item 12 - Brokerage Practices

The Adviser’s investment strategy involves making investments for Clients to invest in private equity investments in the upstream and midstream oil and gas sectors as well as investments in working interests in oil and gas projects. As a result, the Adviser does not select or recommend broker-dealers for the purchase and sales of securities.

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

Item 13 - Review of Accounts

Oversight and Monitoring

The Adviser maintains review procedures for the ongoing monitoring of the portfolio investments of its Clients. In terms of the investment process, the Adviser’s investment professionals conduct

an initial opportunity screening and detailed due diligence prior to pursuing an investment to ensure a reasonable basis for investment decisions. In the case of the Funds, pursuing an investment requires unanimous consent of the Adviser's Investment Committee. Following an investment, the Adviser's Principals and investment professionals are responsible for managing the asset and along with the Adviser's Valuation Committee, actively monitor the value of investments and potential risks. In connection therewith, the Adviser conducts periodic reviews of all portfolio company investments held in each Client portfolio. Both investment and operational personnel participate in the ongoing monitoring of Client portfolios, although responsibilities vary by individual.

Additionally, the Adviser will typically require board representation for certain portfolio company investments, providing greater opportunity to monitor Client investments.

Reporting

The Adviser provides written periodic reports to all Clients at a frequency determined by each Client, but at least annually. Reports typically disclose holdings, transactions, and other related information regarding Client portfolios. The Adviser and the applicable General Partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Client to one or more investors in such Client as they deem appropriate.

Item 14 - Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

While not a client solicitation arrangement, with respect to the Funds, the Adviser entered into an agreement with a third-party placement agent. This agreement provides for compensation to be paid to the placement agent for referring limited partners to the Funds. Under this agreement, the placement agent receives a percentage of the capital commitments attributable to each prospective limited partner referred depending upon specific circumstances and restrictions. Any such agreement with a placement agent is disclosed to prospective limited partners in the Funds.

Item 15 - Custody

Item 15 is not applicable to the Adviser.

Item 16 - Investment Discretion

The Adviser has full discretion with respect to investment decisions for its Clients. Investment advice is provided directly to the Clients, subject to the direction and control of the General Partner of each Client, and not individually to the investors in the Clients. The Adviser contractually assumes such discretionary authority with each Client pursuant to an investment management agreement or agreement of limited partnership with the Client. The Adviser's authority to manage Client accounts is in all cases subject to the objectives, guidelines, and limitations set forth in the applicable Client Organizational Documents.

Item 17 - Voting Client Securities

The Adviser's investment strategy involves private equity investments in the upstream and midstream oil and gas sectors as well as investments in working interests in oil and gas projects.

As a result, the Adviser does not generally hold Clients' investments in public equity securities and therefore does not generally receive proxies on behalf of its Clients.

If the Adviser is called upon to vote proxies, it will vote such proxies in accordance with the proxy voting policies and procedures in the Adviser's compliance manual. Pursuant to SEC rule 206(4)-6, the Adviser has established policies and procedures to address voting procedures and any conflicts of interests involved in a proxy vote between the Adviser and Clients. The Adviser's proxy voting procedures are designed to ensure that proxies are voted in a manner that is in the best interest of the Clients. The Adviser will generally vote in favor of matters that follow an agreeable corporate strategic direction, support an ownership structure that enhances shareholder value without diluting management's accountability to shareholders, and/or present compensation plans that are commensurate with enhanced manager performance and market practices. The Adviser may determine not to vote proxies in respect of securities of an issuer if it determines it would be in the Client's overall best interest not to vote. Clients may obtain copies of the Adviser's proxy voting policies by contacting the Chief Compliance Officer.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Client and copies of proxy voting policies are available to any client or prospective client upon written request to: Ms. Andrea C. Haney, the Adviser's Chief Compliance Officer at (617) 366-2046.

Item 18 - Financial Information

Item 18 is not applicable to the Adviser.

Item 19 - Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.