

Part 2A of the Form ADV: Firm Brochure

SoftVest Advisors, LLC

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This Brochure provides information about the qualifications and business practices of SoftVest Advisors, LLC (“**SoftVest**” or the “**Firm**”) and its affiliated investment advisers HeartsBluff Music Partners, LLC and Carrizo Springs Music Partners, LLC (“**HeartsBluff**” and “**Carrizo**”, respectively, or the “**Relying Advisers**”) (collectively, the “**Advisers**”). If you have any questions about the contents of this Brochure, please contact us at (325) 677-6177 or by email at john@softvest.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

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

Any reference to the Advisers as registered investment advisers does not imply any level of skill or training.

Item 2: Material Changes

This is SoftVest's annual updating amendment to the firm brochure last updated on May 31, 2019. SoftVest notes the following changes addressed in this brochure:

- Item 1.: The addition of Carrizo as a Relying Adviser.
- Item 4.E.: Changing the amount of regulatory assets managed on a discretionary basis.
- Items 4. through 7.: Certain disclosures related to Carrizo as an Investment Adviser.

Investors are encouraged to review this brochure in its entirety. The information set forth in this brochure is qualified in its entirety by the applicable offering and governing documents. In the event of a conflict between the information set forth herein and the applicable offering and governing documents, the information set forth in the applicable offering and governing documents shall control.

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Item 4: Advisory Business

Item 4.A.

The Advisers are Delaware limited liability companies based in Abilene, Texas. The Advisers were formed in December 2018 (SoftVest and HeartsBluff) and February 2020 (Carrizo). The Advisers are private investment firms with offices in Abilene, Texas, Dallas, Texas, and Nashville, Tennessee. The Filing Adviser and the Relying Advisers together have filed a single form ADV in reliance on the umbrella registration provisions provided in SEC Release No. IA-4509 (August 25, 2016). References herein to the Filing Adviser or the Relying Advisers include affiliated management companies of the Filing Adviser and the Relying Advisers, and references herein to the “Adviser” means the applicable Adviser(s) for a particular Fund and its affiliated management companies, and “Advisers” include the Filing Adviser, the Relying Advisers and their affiliated management companies. The Advisers, either directly or through affiliates, provide investment advice on a discretionary basis to a number of private investment vehicles that pursue specialized investment strategies as described herein (each, a “Fund”, and together, the “Funds”).¹

SoftVest generally focuses on making oil and gas investments primarily in Texas and is wholly owned by SoftVest Advisors Holdings, LLC, which is owned by Eric Oliver, Kline Oliver, Daniel McFarland, and John Daniel.

HeartsBluff generally focuses on making investments in music royalties and is owned by Eric Oliver, Daniel McFarland, and Scott Parker.

Carrizo generally focuses on making investments in music royalties and is owned by Eric Oliver, Daniel McFarland, and Scott Parker.

Item 4.B.

SoftVest Advisors, LLC

Currently, SoftVest manages SoftVest, LP, SoftSearch Investment, LP, and KNDC, LP, in accordance with the terms and conditions of the offering and organizational documents of each Fund. SoftVest, LP and SoftSearch Investment, LP are Delaware limited partnerships and KNDC, LP is a Texas limited partnership. All three seek to provide their limited partner investors with attractive risk-adjusted returns by directly or indirectly investing in oil and gas assets.

¹ As an SEC-registered investment advisers, the Advisers owe a fiduciary duty to all of its clients. In 2006, the decision by the Court of Appeals for the D.C. Circuit in *Goldstein v. SEC*, 451 F.3d 873 (D.C. Cir. June 23, 2006), with respect to private funds, clarified that the “client” of an investment adviser to a private fund is the fund itself and not an investor in the fund. For purposes of this Brochure, the terms “Fund” or “Funds” refer to the advisory clients of the Advisers.

SoftVest does not act as a general or limited partner to any of the Funds. Instead SoftVest advises the Funds at the direction of the general partner and in accordance with the investment management agreements.

SoftVest also provides analysis to an independent insurance company upon request related to a fixed income portfolio.

HeartsBluff Music Partners, LLC

Currently, HeartsBluff manages Barton Springs Music, LLC, Llano Music, LLC, and TenTex Music, LLC, in accordance with the terms and conditions of the offering and organizational documents of each Fund. All three are Tennessee limited liability companies that seek to provide its member investors with attractive risk-adjusted returns by directly or indirectly investing in music royalties. HeartsBluff acts as the managing member of each Fund.

Carrizo Springs Music Partners, LLC

Currently, Carrizo manages Carrizo Springs Music, LLC in accordance with the terms and conditions of the offering and organizational documents of the Fund. Carrizo Springs Music, LLC is a Delaware limited liability company that that seeks to provide its member investors with attractive risk-adjusted returns by directly or indirectly investing in music royalties. Carrizo acts as the managing member of the Fund.

Item 4.C.

The Advisers tailor their advisory services to the individual needs of each Fund, and the individual needs are identified through a review of the overall investment guidelines and objectives, as well as specific investment goals of each Fund. The Advisers do not tailor their advisory services to the individual needs of the investors in any Fund, and the only restrictions on the investments that the Advisers may make on behalf of a Fund are set forth in the offering or organizational documents of each Fund.

Item 4.D.

The Advisers do not participate in or sponsor any wrap fee programs.

Item 4.E.SoftVest Advisors, LLC

SoftVest manages a total of approximately \$267,123,128 of assets on a discretionary basis. SoftVest does not manage any assets on a non-discretionary basis.

HeartsBluff Music Partners, LLC

HeartsBluff manages a total of approximately \$67,078,462 of assets on a discretionary basis. HeartsBluff does not manage any assets on a non-discretionary basis.

Carrizo Springs Music, LLC

Carrizo manages a total of approximately \$0 of assets on a discretionary basis. Carrizo does not manage any assets on a non-discretionary basis.

Item 5: Fees and CompensationSoftVest Advisors, LLC**Item 5.A.**

SoftVest is compensated through management fees. SoftVest is entitled to management fees at an annual rate of one percent, or one-fourth of one percent (1/4 or 1.0%) per quarter, of each limited partner's ("**Investor**") capital account balance, calculated and payable as of the last business day of the quarter. The management fee is appropriately adjusted for any partial quarters. SoftVest may reduce or eliminate the management fee with respect to any Investor in its sole discretion. In addition, the general partner or affiliates may be entitled to receive compensation related to managing pooled assets. The general partner of a Fund or affiliates may waive or reduce fees in their discretion.

SoftVest receives a fixed fee for analysis provided to an independent insurance company related to a fixed income portfolio.

Item 5.B.

Management fees will be paid quarterly, in arrears, and debited from each Investor's capital account.

Item 5.C.

Each Fund will reimburse SoftVest for certain out-of-pocket expenses incurred by SoftVest in connection with the performance of its obligations under their respective Management Agreements.

Organizational Expenses. The Funds bear all of its organizational expenses and will reimburse SoftVest and its affiliates, as applicable, for their payment of any organizational expenses of the Funds. Organizational expenses generally borne by the Fund will include, but not be limited to, expenses of marketing the offering of the interests and legal fees and expenses of counsel to the Funds. In general, the Funds' financial statements will be prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). However, each Fund intends to amortize organizational expenses over a period of 60 calendar months from the date the Fund commences operations because it believes such treatment is more equitable than expensing the entire amount of the organizational expenses in the Fund's first year of operation, as is required by GAAP. The general partner may, however, limit the amount of start-up and organizational expenses that each Fund amortizes so that the audit opinion issued with respect to the Fund's financial statements will not be qualified.

Investment and Operational Expenses. Each Fund bears all of its operating expenses and will reimburse SoftVest and its affiliates, as applicable, for their payment of any operating expenses of the Fund. In addition, each Fund will reimburse SoftVest for any and all overhead and administrative expenses incurred by SoftVest in connection with maintaining and operating its respective office (including rent, equipment, and software expenses) on behalf of the Fund. Expenses generally borne by the Fund will include, but not be limited to:

- (a) certain administrative and overhead expenses of the Fund and SoftVest (e.g., rent, Bloomberg, phones, etc.), as determined by SoftVest;
- (b) all expenses incurred by SoftVest in connection with the performance of its obligations under the Investment Management Agreement;
- (c) legal fees and expenses of counsel to the Fund;
- (d) auditing and accounting fees and expenses;
- (e) registrar and transfer agent fees;
- (f) taxes and governmental fees;
- (g) fees of SoftVest;
- (h) fees of any custodian;
- (i) any other costs of determination of the value of the Fund's net assets;
- (j) expenses relating to investor and public relations;
- (k) expenses, if any, of registering or qualifying interests of the Fund for sale;
- (l) expenses of listing the interests on any securities exchange;

- (m) freight, insurance and other charges in connection with the shipment of the Fund's portfolio securities;
- (n) brokerage commissions and other costs of acquiring or disposing of any investment of the Fund;
- (o) all ordinary and necessary expenses incurred in connection with the Fund's purchase, sale and carrying of investments and its trading activities;
- (p) expenses of preparing and distributing reports, notices and distributions to the partners;
- (q) costs of stationery; and
- (r) any litigation expenses; and costs of meetings of the partners and other meetings, if any.

However, the general partner or SoftVest may, in its sole discretion, choose to absorb any such expenses incurred on behalf of the Funds.

The Funds do not have their own separate employees or offices. Except as described above and provided for in the Partnership Agreements, the Funds generally do not reimburse the general partner or SoftVest for salaries, office rent, and other general overhead costs of the general partner or SoftVest.

Item 5.D.

As stated in Item 5.A., SoftVest calculates fees, in arrears, at the end of each quarter. Therefore, SoftVest does not collect fees in advance and there is no need to provide refunds for pre-paid fees.

Item 5.E.

Neither SoftVest nor any of its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees for the sale of mutual funds.

A more detailed description of the Management Fee borne by a particular Fund is available in the offering memorandum, subscription agreement, and/or governing documents of the respective Fund.

Item 5.A.

HeartsBluff is not compensated for its services as the managing member, but the Fund(s) will reimburse the managing member and its affiliates, as applicable, for all ordinary, necessary, and direct expenses incurred by the managing members or its affiliates on behalf of the Fund(s) in carrying out the Funds' business activities. In addition, the general partner or affiliates may be entitled to receive compensation related to managing pooled assets in the form of a direct interest in the Funds. The general partner of a Fund or affiliates may waive or reduce fees in their discretion.

Item 5.B.

Expenses are billed quarterly in arrears and are paid from revenues generated from the music catalogues held in the Funds.

Item 5.C.

Each Fund will reimburse HeartsBluff for certain out-of-pocket expenses incurred by HeartsBluff and/or its affiliates in connection with the performance of its obligations under their respective governing documents.

Investment and Operational Expenses. The Funds will reimburse HeartsBluff and its affiliates, as applicable, for any and all overhead and administrative expenses incurred by them in connection with maintaining and operating their respective offices (including rent, equipment, and software expenses) on behalf of the Funds including, without limitation, a reasonable pro rata portion of the salaries of officers and employees of HeartsBluff who are carrying out the Funds' business activities. Expenses generally borne by HeartsBluff will include, but not be limited to:

- (a) organizational expenses and offering expenses of the Fund;
- (b) certain administrative and overhead expenses of the Fund and Heartsbluff or its affiliates (e.g., rent, Bloomberg, phones, etc.), as determined by HeartsBluff;
- (c) legal fees and expenses of counsel to the Fund;
- (d) auditing and accounting fees and expenses;
- (e) registrar and transfer agent fees;
- (f) taxes and governmental fees;
- (g) fees of any custodian;
- (h) any other costs of determination of the value of the Fund's assets;
- (i) expenses relating to investor and public relations;
- (j) expenses, if any, of registering or qualifying membership interests of the Fund for sale;

- (k) expenses, if any, of listing the membership interests on any securities exchange;
- (l) freight, insurance and other charges in connection with the shipment of the Fund's portfolio securities;
- (m) brokerage commissions and other costs of acquiring or disposing of any investment of the Fund;
- (n) all ordinary and necessary expenses incurred in connection with the Fund's purchase, sale and carrying of investments and its trading activities;
- (o) expenses of preparing and distributing reports, notices and distributions to the members;
- (p) costs of stationery; and
- (q) any litigation expenses; and costs of meetings of the members and other meetings, if any.

Expenses are generally borne *pro rata* by the members in accordance with their respective membership interests.

If HeartsBluff incurs any Fund expenses for the account or for the benefit of, or in connection with its activities or those of its affiliates on behalf of, both the Fund and any other account, HeartsBluff will allocate such expense among the Fund and each such other account in proportion to the size of the investment made by each in the activity or entity to which the expense relates, or in such other manner as HeartsBluff considers fair and reasonable.

Item 5.D.

Clients do not pay fees or expenses in advance. Therefore, there is no need to provide refunds for pre-paid fees.

Item 5.E.

Neither HeartsBluff nor any of its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees for the sale of mutual funds.

A more detailed description of the fees and expenses borne by a particular Fund are available in the offering memorandum, subscription agreement, and/or governing documents of the respective Fund.

Item 5.A.

Carrizo is not compensated for its services as the managing member, but the Fund(s) will reimburse the managing member and its affiliates, as applicable, for all ordinary, necessary, and direct expenses incurred by the managing members or its affiliates on behalf of the Fund(s) in carrying out the Funds' business activities. In addition, the general partner or affiliates may be entitled to receive compensation related to managing pooled assets in the form of a direct interest in the Funds. The general partner of a Fund or affiliates may waive or reduce fees in their discretion.

Item 5.B.

Expenses are billed quarterly in arrears and are paid from revenues generated from the music catalogues held in the Funds.

Item 5.C.

Each Fund will reimburse Carrizo for certain out-of-pocket expenses incurred by Carrizo and/or its affiliates in connection with the performance of its obligations under their respective governing documents.

Investment and Operational Expenses. The Funds will reimburse Carrizo and its affiliates, as applicable, for any and all overhead and administrative expenses incurred by them in connection with maintaining and operating their respective offices (including rent, equipment, and software expenses) on behalf of the Funds including, without limitation, a reasonable pro rata portion of the salaries of officers and employees of Carrizo who are carrying out the Funds' business activities. Expenses generally borne by Carrizo will include, but not be limited to:

- (r) organizational expenses and offering expenses of the Fund;
- (s) certain administrative and overhead expenses of the Fund and Carrizo or its affiliates (e.g., rent, Bloomberg, phones, etc.), as determined by Carrizo;
- (t) legal fees and expenses of counsel to the Fund;
- (u) auditing and accounting fees and expenses;
- (v) registrar and transfer agent fees;
- (w) taxes and governmental fees;
- (x) fees of any custodian;
- (y) any other costs of determination of the value of the Fund's assets;
- (z) expenses relating to investor and public relations;
- (aa) expenses, if any, of registering or qualifying membership interests of the Fund for sale;

- (bb) expenses, if any, of listing the membership interests on any securities exchange;
- (cc) freight, insurance and other charges in connection with the shipment of the Fund's portfolio securities;
- (dd) brokerage commissions and other costs of acquiring or disposing of any investment of the Fund;
- (ee) all ordinary and necessary expenses incurred in connection with the Fund's purchase, sale and carrying of investments and its trading activities;
- (ff) expenses of preparing and distributing reports, notices and distributions to the members;
- (gg) costs of stationery; and
- (hh) any litigation expenses; and costs of meetings of the members and other meetings, if any.

Expenses are generally borne *pro rata* by the members in accordance with their respective membership interests.

If Carrizo incurs any Fund expenses for the account or for the benefit of, or in connection with its activities or those of its affiliates on behalf of, both the Fund and any other account, Carrizo will allocate such expense among the Fund and each such other account in proportion to the size of the investment made by each in the activity or entity to which the expense relates, or in such other manner as Carrizo considers fair and reasonable.

Item 5.D.

Clients do not pay fees or expenses in advance. Therefore, there is no need to provide refunds for pre-paid fees.

Item 5.E.

Neither Carrizo nor any of its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees for the sale of mutual funds.

A more detailed description of the fees and expenses borne by a particular Fund are available in the offering memorandum, subscription agreement, and/or governing documents of the respective Fund.

Item 6: Performance Based Fees and Side-by-Side Management

SoftVest Advisors, LLC

SoftVest does not received performance-based fees for advisory services it provides to the Funds. Therefore, SoftVest does not have a conflict of interest due to different funds with different fee structures. However, the general partner of the Funds, SoftVest GP I, LLC, is entitled to a performance allocation. The performance allocation is calculated and charged separately with respect to each Investor capital account, equal to 20% of the amount by which the capital account's positive "Performance Change Amount" for the current calendar quarter exceeds the capital account's "Loss Carryforward Amount," less the "Treasury Hurdle Account Balance."

A capital account's "Performance Change Amount" for any calendar quarter equals such capital account's pro rata allocation of net profit or net loss (including taking into account Management Fees, any Special Situation Investment Sub-Account closed during the period, or other items of income or expense specially allocable to the capital account).

The "Loss Carryforward Amount" for any calendar quarter equals the aggregate Performance Change Amounts, if negative, allocated to a capital account during any preceding calendar quarter, minus any subsequent positive Performance Change Amounts on which no performance allocation was charged. If an Investor makes a withdrawal from its capital account at a time when there is a Loss Carryforward Amount, such Loss Carryforward Amount will be reduced in the same proportion that the withdrawal amount bears to the Investor's total capital account balance immediately prior to the withdrawal. The performance allocation and Loss Carryforward Amount will be computed separately for each capital account.

The "Treasury Hurdle Account Balance" means, with respect to a capital account, an account balance initially equal to zero and each calendar quarter increased by the Treasury Rate Hurdle Amount allocated to the capital account for such calendar quarter, and reduced (but not below zero) by the amount by which any positive Performance Change Amount for the current calendar quarter less the Loss Carryforward Amount, exceeds the Treasury Rate Hurdle Amount.

An Investor's "Treasury Rate Hurdle Amount" is an amount calculated daily equal to the product of (i) the Treasury Rate, multiplied by (ii) the sum of the (a) Adjusted Opening Capital Account, (b) Carryforward Account (if any) and (c) Treasury Hurdle Account balance (if any), of such Investor.

The "Adjusted Opening Capital Account" means the capital account of an Investor measured at the beginning of each calendar quarter, increased by any credits to such Investor's capital account during such calendar quarter to reflect any contributions of capital to the partnership by such Investor, reduced by any debits to such Investor's capital account during such calculation

period to reflect any actual or deemed distributions or withdrawals with respect to such Investor's interest.

A more detailed description of the Incentive Allocation charged by the general partner of a Fund or its affiliates is available in the offering memorandum, subscription agreement, and/or governing documents of the respective Fund.

In addition, SoftVest may receive a performance fee, at the discretion of the independent insurance company, for analysis related to a fixed income portfolio.

HeartsBluff Music Partners, LLC

The general partner or affiliates may be entitled to receive compensation in the form of a direct interest in the Funds related to managing pooled assets. The compensation may be in the form of an affiliate's carried interest in certain music partnerships, which may or may not contain a promote at 10% after limited partners receive their initial investment back.

To address conflicts of interest, the Advisers have implemented policies and procedures to ensure all Funds receive equitable and fair treatment over time with respect to the allocation of investment opportunities, based on all relevant factors (e.g., capital commitments, available cash, investment appetite, strategy, strategy portfolio limitations, concentration, etc.).

Carrizo Springs Music Partners, LLC

The general partner or affiliates may be entitled to receive compensation in the form of a direct interest in the Funds related to managing pooled assets. The compensation may be in the form of an affiliate's carried interest in certain music partnerships.

To address conflicts of interest, the Advisers have implemented policies and procedures to ensure all Funds receive equitable and fair treatment over time with respect to the allocation of investment opportunities, based on all relevant factors (e.g., capital commitments, available cash, investment appetite, strategy, strategy portfolio limitations, concentration, etc.).

Item 7: Types of Clients

Currently, the Advisers provide advisory services to the Funds listed in Item 4 of this Brochure.

Requirements for the Funds managed by the Advisers are set out in the offering documents of each Fund.

Each investor in a Fund, generally, is required to certify that it is, among other things, an “accredited investor,” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended, and a “qualified purchaser,” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended.

In addition, SoftVest provides services to an independent insurance company.

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

Item 8.A.

SoftVest Advisors, LLC

SoftVest’s general investment approach is to invest in direct-owned oil and gas minerals and royalties as well as publicly traded securities (equities and fixed income) and derivatives using short positions and long positions in combination to reduce exposure and market risk across the portfolio. Specifically, SoftVest expects to typically target short positions, or long and short positions in combination, that serve to offset volatility around the stream of cash flow provided by the mineral and royalty portfolio. Additionally, SoftVest will opportunistically seek to take advantage of perceived dislocations in the market by trading pairs (long/short) of like kind securities and derivatives of such securities against each other, or by taking long positions in securities and their derivatives deemed to be significantly undervalued by the market. Strategies that involve this kind of trading are often referred to as “market neutral strategies”. SoftVest may employ other strategies from time to time in furtherance of its objectives but expects such other strategies will be a minor part of its overall strategy.

HeartsBluff Music Partners, LLC

HeartsBluff generally seeks to generate income through acquisitions and purchases of the rights to receive royalty income derived from music, film, television, and other similar media content. These rights generally take the form of publishing rights, songwriter royalties, artist royalties, or producer royalties, but HeartsBluff may also invest in other intellectual property assets including master recordings and other royalty-generating copyrights to the extent that opportunities come available.

The focus of the investment strategy is on the acquisition of assets related to previously exploited “hits” across multiple genres capable in the Adviser’s opinion of generating long term stable cash flows.

Carrizo Springs Music Partners, LLC

Carrizo generally seeks to generate income through acquisitions and purchases of the rights to receive royalty income derived from music, film, television, and other similar media content. These rights generally take the form of publishing rights, songwriter royalties, artist royalties, or producer royalties, but Carrizo may also invest in other intellectual property assets including master recordings and other royalty-generating copyrights to the extent that opportunities come available.

The focus of the investment strategy is on the acquisition of assets related to previously exploited “hits” across multiple genres capable in the Adviser’s opinion of generating long term stable cash flows.

Item 8.B.

Investment in the Funds is speculative and involves certain risks. Certain of these risks are summarized below. The Funds may not be suitable for all investors and is intended for sophisticated investors who can accept the risks associated with its investments. An investment in the Funds does not constitute a complete investment program. Investors will not have recourse except with respect to the assets of the Funds. Prospective investors should consider, among others, the risk factors and potential conflicts of interest described in this section. All investors in the Funds should consult their own legal, tax, and financial advisors prior to investing in the Funds.

Risks Related to Fund Investments

Investment Judgment; Market Risk. The profitability of a significant portion of each Fund’s investment program depends upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Advisers will be able to predict accurately these price movements. With respect to the investment strategy utilized by the Funds, there is always some, and occasionally a significant, degree of market risk.

Reliance on Key Persons. The Funds will be substantially dependent on the services of the principals of the Funds. In the event of the death, disability, departure, or insolvency of the principals, or the complete transfer of the principals’ interest in the Advisers, the business of the Funds may be adversely affected. The principals will devote such time and effort as they deem necessary for the management and administration of each Fund’s business. However, the principals may engage in various other business activities in addition to managing the Funds, and consequently may not devote all time to Funds’ business.

Illiquidity. The investments made by the Funds may be very illiquid, and consequently the Funds may not be able to sell such investments at prices that reflect the general partner's assessment of their value or the amount paid for such investments by the Funds. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual, or other restrictions on their resale by the Funds and other factors. Furthermore, the nature of each Fund's investments, especially those in financially distressed companies, may require a long holding period prior to profitability. The offering documents of each Fund authorize the general partner to make distributions in kind (including interests in affiliated liquidating vehicles) of securities in lieu of or in addition to cash. In the event the general partner makes distributions of securities in-kind, such securities could be illiquid or subject to legal, contractual, and other restrictions on transfer.

Leverage. Subject to applicable margin and other limitations, the Funds may borrow funds to make additional investments, selling securities short, and derivatives to make investments and thereby increase both the possibility of gain and risk of loss. If such investments decline in value, the loss will be magnified if the Funds have borrowed money to make its investments. The Funds may not be able to repay borrowings or it may be forced to sell investments at a disadvantageous time in order to repay borrowings. Costs incurred in connection with the use of leverage may not be recovered by income or appreciation in the investments purchased, and may be lost in the event of a decline in the market value of such securities. In the event of a precipitous drop in the value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to pay off its margin debt. The Funds may elect to sell its more liquid assets first to repay borrowings, thus increasing its concentration in less liquid securities. Consequently, the effect of fluctuations in the market value of the Funds' portfolio would be amplified. Interest on borrowings will be a portfolio expense of the Funds and will affect the operating results of the Fund. Also, the Funds could potentially create leverage via the use of instruments such as options and other derivative instruments.

Investment Authority. Substantially all decisions with respect to the management of the Funds are made by the general partner and the Advisers. Limited partners have no right or power to take part in the management of the Funds. In the event of the withdrawal or bankruptcy of the general partner, generally the Funds will be liquidated.

Securities Laws. To the extent that the Funds own a controlling stake in or are deemed an affiliate of a particular company, they may be subject to certain additional securities law requirements that could affect both the liquidity of the Funds' interest and the Funds' ability to liquidate its interest without adversely impacting the stock price, including insider trading restrictions, the affiliate sale restrictions of Rule 144 of the Securities Act, and the disclosure requirements of Sections 13 and 16 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). In addition, to the extent that affiliates of the Funds or the Advisers are subject to such restrictions or requirements, the Funds, by its affiliation with such entities, may be similarly restricted,

regardless of whether the Funds stand to benefit from such affiliate's stock ownership. If the Funds, alone or as part of a group acting together for certain purposes, becomes the beneficial owner of more than 10% of certain classes of securities of a U.S. public company or places a director on the board of directors of such a company, the Funds may be subject to certain additional reporting requirements and to liability for short-swing profits under Section 16 of the Exchange Act. Furthermore, the Funds may also be subject to similar reporting requirements in non-U.S. jurisdictions where it holds significant positions in the securities of public companies in such jurisdictions.

Event-Driven Strategies. The success of event-driven strategies depends on the successful prediction of whether various corporate events will occur or be consummated.

Special Situation Investments. The Funds may invest in companies undergoing significant economic and corporate change. Because of the inherently speculative nature of this activity, the results of the Funds' operations may fluctuate from month to month and from period to period. The returns generated from such an investment program may not adequately compensate investors for the business and financial risk assumed. The Funds' investments may be adversely affected by changes in economic conditions or political events that are beyond its control.

Exit Strategies. Due to the illiquid nature of many of the positions which the Funds may acquire, as well as the uncertainties of the reorganization and active management process, the Advisers are unable to predict with confidence what the exit strategy will ultimately be for any given core position, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political, or other factors.

Performance Allocation. The performance allocation made to the general partner may create an incentive for the general partner to make investments that are riskier or more speculative than would be the case in the absence of such performance allocation.

Withdrawal Restrictions. There are severe restrictions on withdrawals from the Funds (which may be settled in securities rather than cash) and on transfers of interests. The prior written consent of the general partner is required for a transfer of the interest of any Investor. Because of the restrictions on withdrawals and transfers, an investment in the Funds is a relatively illiquid investment and involves a high degree of risk. A subscription for interests should be considered only by persons financially able to maintain their investment and who can accept a loss of all their investment.

Fluctuations in Financial Markets. General fluctuations in the market prices of securities and interest rates may adversely affect the value of the Funds' investments and increase the risks

associated with an investment in the Funds. Volatility and instability in the securities markets may also increase the risks inherent in the investments of the Funds.

Diversification. Since the Funds' portfolio will not necessarily be widely diversified, the investment portfolio of the Funds may be subject to more rapid changes in value than would be the case if the Funds were required to maintain a wide diversification among companies, securities, and types of securities.

Concentration of Investments. From time to time, the Funds may hold a few, relatively large securities positions in relation to the Funds' capital. In addition, the Funds are not subject to any restriction requiring diversification by industry or region. The result of any such concentration of investments would be that a loss in any such position, industry, or region could materially reduce the Funds' capital.

Investments in Distressed Assets. The Funds may make investments in under-performing or other distressed portfolio companies, utilizing leveraged capital structures. By their nature, these investments will involve a high degree of financial risk, and there can be no assurance that the Funds' rate of return objectives will be realized or that there will be a return of capital. Furthermore, investments in properties operating in workout modes or under Chapter 11 of the United States Bankruptcy Code are, in certain circumstances, subject to certain additional potential liabilities that may exceed the value of the Funds' original investment. In addition, under certain circumstances, payments to the Funds and distributions by the Funds to investors may be reclaimed if such payments or distributions are later determined to have been fraudulent conveyances or preferential payments. Numerous other risks arise in the workout and bankruptcy contexts.

U.S. Bankruptcy Rules. Any cash and securities maintained by the Funds at accounts at U.S. broker-dealers registered with the SEC and FINRA are protected to a limited degree by the U.S. Securities Investor Protection Corporation (the "SIPC"). In the event of the bankruptcy of a broker-dealer, if sufficient funds are not available in the broker-dealer's customer accounts to satisfy claims, the reserve funds of the SIPC will be used to supplement the distribution, up to a ceiling of \$500,000 per customer, including a maximum of \$100,000 for cash claims. Therefore, the Funds could be at risk of loss for any amounts more than the SIPC limit. In addition, bankruptcy law applicable to all U.S. futures commission merchants (each, an "FCM") requires that, in the event of the bankruptcy of such a FCM, all property held by the FCM, including certain property specifically traceable to a customer, will be returned, transferred or distributed to the FCM's customers only to the extent of each customer's pro rata share of all property available for distribution to customers. Although the Funds do not expect to have significant exposure to FCMs, if any FCM holding any of the Funds' assets were to become bankrupt, it is possible that the Funds would be able to recover none or only a portion of its assets held by such FCM. Furthermore, in the event of an insolvency of an FCM or other counterparty that is not regulated

by the Commodity Futures Trading Commission (the “CFTC”), the CFTC’s segregation protections would not be available to the Funds. Other custodians and counterparties may have similar types of risks. Assets held outside the U.S. may be subject to different or diminished protection in the event of a counterparty failure located in such jurisdiction.

Valuations. From time to time, certain situations affecting the valuation of the Funds’ investments (such as limited liquidity, unavailability or unreliability of third-party pricing information, and acts or omissions of service providers to the Funds) could have an impact on the net asset value of the Funds, particularly if prior judgments as to the appropriate valuation of an investment should later prove to be incorrect after a net asset value-related calculation or transaction is completed. The Funds are not required to make retroactive adjustments to prior subscription or withdrawal transactions or Management Fees or performance allocations based on subsequent valuation data.

Non-Public Information. From time to time, the Advisers may come into possession of non-public information concerning specific companies. Under applicable securities laws, this may limit the Advisers’ flexibility to buy or sell portfolio securities issued by such companies. The Funds’ investment flexibility may be constrained because of the Advisers’ inability to use such information for investment purposes.

Cybersecurity Risks. The Advisers’ information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Advisers have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Advisers or the Funds may have to make a significant investment to fix or replace them. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in the Advisers’ or the Funds’ operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Advisers’ or the Funds’ reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Risks related to the Fund’s Investments and Strategy

Investment Strategy of the Funds. There is no guarantee that the investment strategies or programs used by the Funds will be successful, and investment results may vary substantially over time. Past performance may not be indicative of future results. The securities and instruments in which the Funds may invest may be illiquid and adversely affected by exchange

regulations or the risk of failure of any of the exchanges on which such instruments trade or their clearing houses, if any. The Funds may be adversely affected by changes in applicable law. Some of the additional risks associated with the Funds are described below.

Use of Leverage. The Funds may use leverage, including purchasing securities with borrowed funds, selling securities short, and derivatives to make investments. If such investments decline in value, the loss will be magnified if the Funds have borrowed money to make its investments. The Funds may not be able to repay borrowings, or it may be forced to sell investments at a disadvantageous time to repay borrowings. Costs incurred in connection with the use of leverage may not be recovered by income or appreciation in the investments purchased and may be lost in the event of a decline in the market value of such securities. In the event of a precipitous drop in the value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to pay off its margin debt. The Funds may elect to sell its more liquid assets first to repay borrowings, thus increasing its concentration in less liquid securities.

Short Selling. The Funds may engage in short-selling of securities. A short sale will result in a gain if the price of the securities sold short declines between the date of the short sale and the date on which securities are purchased to replace those borrowed. A short sale will result in a loss if the price of the security sold short increases. Any gains are decreased by the amount of any payment or interest that the Funds may be required to pay with respect to the borrowed securities. Short sales may only be maintained if the securities can be borrowed. It may not be possible at times for the Funds to borrow the securities it wishes to sell short or maintain the borrowing of a security sold short. The borrowed securities may need to be returned on short notice. If the securities cannot remain borrowed, the Funds could be required to cover the short sale by borrowing the security elsewhere or by purchasing securities at a higher price than the short sale transaction thereby creating a loss. If the price of a security that has been sold short increases, there is theoretically no limit to the loss that could be incurred in covering a short sale, as there is no limit on how much the price of a stock may appreciate before the short position is closed out.

Derivatives. The Funds may purchase and sell options or enter into other derivative transactions. These transactions may be used for any purpose, including hedging purposes and to increase the possibility of achieving gains from any level of movement in the price of the underlying securities or group of securities. Use of derivatives in general presents additional risks. If used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Funds from achieving the intended hedge effect or expose it to the risk of loss. Risks associated with options or other derivative instruments may differ from the risks associated with the underlying assets. Derivative instruments may not be liquid in all circumstances, so that in volatile markets the Funds may not be able to close out a position without incurring a loss. The Funds may employ various options strategies to increase its income return including but not limited to, uncovered

and covered call and put writing. The derivatives that the Funds may use in this regard are clearing corporation and over-the-counter (“**OTC**”) options or forwards. The uncovered selling of an option generally exposes the seller to unlimited risk. The ability of the Funds to close out a position as a purchaser or writer of a listed put or call option is dependent, in part, upon the liquidity of the option market.

Trading Errors. While carrying out trading and investing responsibilities on behalf of the Funds, the Advisers personnel may make “trading errors.” Examples of trading errors include: (i) buying or selling an investment asset at a price or quantity that is inconsistent with the specific trading instructions generated by a particular strategy; or (ii) buying rather than selling a particular investment asset (and vice versa). Trading errors are typically distinguishable from errors in judgment, due diligence or other factors leading to a specific trading instruction being generated, as well as from unauthorized trading or other improper conduct by personnel of the Advisers. Consequently, the Advisers will (unless the Advisers otherwise determine) treat all trading errors (including those which result in losses and those which result in gains) as for the account of the Funds, unless they are the result of conduct by the Advisers, which is inconsistent with the Advisers’ standard of care.

General Economic and Market Conditions. Changes in economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances may adversely affect the Fund’s operations and/or its investment returns. These factors may affect the level and volatility of securities prices and the liquidity of the Fund’s investments. Unexpected volatility or illiquidity could impair the Funds’ profitability or result in losses.

Fixed Income Securities. The Funds may invest in bonds or other fixed income securities of U.S. and other issuers. Fixed income securities are subject to the risk of the issuer’s inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). If fixed income investments are not held to maturity, the Funds may suffer a loss at the time of sale of such securities.

Equity Securities. To the extent that the Funds hold equity securities, they will be influenced by stock market conditions in those jurisdictions where the securities held by the Funds are listed for trading and by changes in the circumstances of the issuers whose securities are held by the Funds. Additionally, to the extent that the Funds hold any foreign investments, they will be influenced by world political and economic factors and by the value of the U.S. dollar as measured against foreign currencies which will be used in valuing the foreign investment positions held by the Funds.

Commodities. To the extent the Funds hold commodities such as oil, natural gas, copper, nickel, gold, silver and other base/precious metals, they will be influenced by changes in the price of such commodities. Commodity prices can change significantly because of supply and demand, speculation, international monetary and political factors, government and central bank activity, and changes in interest rates and currency values.

Credit Market Disruptions. From time to time, the credit markets are subject to periods in which there is a severe contraction of both liquidity and available leverage. These factors can result in leveraged strategies being required to sell positions – typically at a highly disadvantageous price – to meet margin requirements. Such conditions could cause a reduction in revenue or losses in the Funds’ leveraged strategies.

High-Yield Securities. The Funds may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. In addition, the Funds may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. The market values of certain of these lower-rated and unrated debt securities tend to reflect changes in the issuer’s own circumstances to a greater extent than do high-rated securities which react primarily to fluctuations in the general level of interest rates and tend to be more sensitive to economic conditions than are lower-rated securities. It is possible that a major economic recession could disrupt severely the market for such high-yield securities and may have an adverse impact on the value of such securities or the ability of the issuers of such securities to repay principal and pay interest thereon.

Use of Prime Brokers. Since the Funds may engage in short-selling of securities, some or all of the assets of the Funds may be held in one or more margin accounts with one or more prime brokers. These accounts may provide a lower level of segregation of assets than would be the case for a traditional custody account. The prime brokers may lend, pledge or hypothecate the assets of the Funds held in those accounts, which may result in potential loss. If a prime broker experiences financial difficulty, the assets of the Funds could become frozen or inaccessible, resulting in illiquidity of the Funds and inability to undertake its investment strategies, and the Funds could experience losses if such prime broker has insufficient assets to satisfy the claims of its creditors.

Portfolio Turnover. The Advisers adjust the proportions of investments held in the Funds, which may result in a high, annual portfolio turnover rate. The amount of leverage that the Funds operate can exaggerate the turnover rate of the Funds. The Advisers have not placed any limit on the rate of portfolio turnover, and portfolio securities may be sold without regard to the time that they have been held when, in the opinion of the Advisers, investment considerations warrant such action. The high rate of portfolio turnover of the Funds involves correspondingly greater

expenses than a lower turnover rate (e.g., greater transaction costs such as brokerage fees and market impact costs). There is not necessarily a relationship between a high turnover rate and the performance of the Funds.

Special Situation Investing. The Funds may invest in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. The consummation of mergers, tender offers and exchange offers can be prevented or delayed by a variety of factors, including management or shareholder opposition, government intervention, an attempt by a third party to acquire the offeror, market conditions resulting in material changes in securities prices, compliance with any applicable legal requirements and inability to obtain adequate financing. Additionally, such investment can result in a distribution of cash or a new security the value of which is less than the purchase price of the security in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell its investment at a loss.

Hedging. Although a hedge is intended to reduce risk, it may not eliminate risk entirely. A hedging strategy may not be effective under certain market conditions arising from adverse economic, political or other disruptive events. A hedge can result in a loss in these cases. Hedging can limit the opportunity for gain.

Illiquidity of Underlying Investments. Certain securities in which the Funds may invest may be unlisted, distressed or otherwise illiquid and difficult to value. The valuation of these securities is subject to a significant amount of subjectivity and discretion. There is no guarantee that fair value will be realized by the Funds on the sale of these securities. Options and other derivative securities may themselves be illiquid at times, irrespective of the condition of the market of the underlying security, making it difficult to offset existing positions to either realize gains thereon, limit losses or change positions in the market.

Net Asset Value. The calculation of the net asset value of the Funds will be based on estimated values provided by independent broker-dealers and/or the Advisers regarding investments, which may be illiquid and thinly traded. In certain circumstances estimated net asset values for such assets may be subject to later revision. No adjustments will be made to the net asset value of the Funds if those estimated values are subsequently determined to be inaccurate. The Funds and the general partner are entitled to rely on such valuations without independent verification.

Tax Related Risks

Tax Uncertainty. The Funds may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by the Internal Revenue Service (the “IRS”) or other applicable taxing authority, there

could be a materially adverse effect on the Funds, and an Investor might be found to have a different tax liability for that year than that reported on its income tax returns.

Uncertainty and Complexity of Tax Treatment. The tax aspects of an investment in a partnership are complicated and complex and, in many cases, uncertain. Statutory provisions and administrative regulations have been interpreted inconsistently by the courts. Additionally, some statutory provisions remain to be interpreted by administrative regulations. Investors will thus be subject to the risk caused by the uncertainty of the tax consequences with respect to an investment in the Funds. Each prospective investor should have the tax aspects of an investment in the Funds reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles.

Risk of Adverse Determination. There can be no assurance that the conclusions set forth in this Brochure will not be challenged successfully by the IRS, or significantly modified by new legislation, changes in the IRS's positions, or court decisions. The Funds have not applied for, nor do they expect to apply for, any advance rulings from the IRS with respect to any of the federal income tax consequences described in this Brochure. No representation or warranty of any kind is made by the Advisers with respect to the federal income tax consequences relating to an investment in the Funds. The Funds may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by the IRS or other applicable taxing authority, there could be a materially adverse effect on the Funds, and an Investor might be found to have a different tax liability for that year than that reported on its income tax returns.

Risk of Tax Audit. An audit of the Funds by the IRS or another taxing authority could result in adjustments to the tax consequences initially reported by the Funds and may result in an audit of the returns of some or all of the Investors, which examination could affect items not related to an Investor's investment in the Funds. If audit adjustments result in an increase in an Investor's income tax liability for any year, such Investor may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax returns will be borne by the Funds. The cost of any audit of an Investor's tax return will be borne solely by that Investor.

Entity-Level Audits. Pursuant to the Bipartisan Budget Act of 2015, for taxable years beginning after December 31, 2017, the IRS generally will be permitted to determine adjustments to items of income, gain, deduction, loss or credit of the Funds, and assess and collect taxes attributable thereto (including any applicable penalties and interest), at the Funds' level. If this new regime applies to the Funds (which depends, among other things, on whether the Funds have more than 100 partners or has any partner that is itself classified as a partnership for U.S. federal income tax purposes), then any person who is a partner of the Funds in the relevant year of the adjustment may indirectly bear the economic burden of any such taxes assessed or collected

(initially determined at the highest rate of tax applicable to an individual or corporation in effect for the reviewed year), regardless of whether such person was a partner during any reviewed year. It is expected that guidance may be issued that permits the Funds to reduce the underpayment of taxes owed by the Funds, including to the extent that the Funds demonstrate such taxes are allocable to a partner that would not owe any tax by reason of its status as a “tax-exempt entity” or the character of income is subject to a lower rate of tax. The Funds may under certain circumstances have the ability to avoid such entity-level tax assessment or collection by electing to issue a statement to each partner of any reviewed year with its share of such adjustment, resulting in such partner being required to take into account any such adjustment for the taxable year which includes the date such statement was furnished. In such case, the partners of the reviewed year would also incur a two-percentage point increase on the interest rate that would otherwise have been imposed on any underpayment of taxes. There can be no assurances, however, that the Funds will avoid, or be able to avoid, any entity-level determination, assessment or collection. Investors should note that there is substantial uncertainty regarding the implementation of these rules and the impact on any current or future allocations made or cash available for distributions or withdrawals by the Funds. The Funds may also be exposed to the risk that these rules apply to any lower-tier entity in which the Funds directly or indirectly invest and that is treated as a partnership for U.S. federal income tax purposes. If this new legislation applies to the Funds, the Funds will designate a tax representative, called the “partnership representative”, which is expected to be the general partner, the Advisers, or an affiliate thereof, who shall have the sole authority to act on behalf of the Funds with respect to dealings with the IRS under these new procedures. Prospective Investors should consult their own tax advisors regarding this new legislation.

Tax Considerations Taken into Account. The general partner may take tax considerations into account in determining when the Funds’ investments should be sold or otherwise disposed of and may assume certain market risk and incur certain expenses in this regard to achieve favorable tax treatment of a transaction.

Tax Liabilities Without Distributions. If the Funds have taxable income in a fiscal year, each Investor will be taxed on that income in accordance with its allocable share of the Funds’ profits, whether or not such profits have been distributed. Because the general partner anticipates that there will be no cash distributions to the Investors, an investor may incur tax liability with respect to activities of the Funds without receiving sufficient distributions from the Funds to defray such tax liabilities. To satisfy its tax liability in such a case, an Investor would need sufficient funds from sources other than the Funds. Furthermore, the Funds may make investments with respect to which the Funds recognizes income for U.S. federal income tax purposes prior to receiving the cash or realizing the income as an economic matter. In addition, the Funds may recognize income for U.S. federal income tax purposes that does not reflect income as an economic matter. Such recognition of income prior to receipt of an economic benefit, if any, may result in increased tax liability for the Investors.

Delayed Schedules K-1. The Funds will provide Schedules K-1 as soon as practicable after receipt of all of the necessary information. However, the Funds may be unable to provide final Schedules K-1 to Investors for any given tax year until significantly after April 15 of the following year. The general partner will endeavor to provide Investors with estimates of the taxable income or loss allocated to their investment in the Funds on or before such date, but final Schedules K-1 may not be available until completion of the Fund's annual audit. Limited partners should be prepared to obtain extensions of the filing date for their income tax returns at the federal, state and local levels.

Unrelated Business Taxable Income. The Funds may make investments or engage in activities that will give rise to unrelated business taxable income ("**UBTI**") under Sections 512 and 514 of the Internal Revenue Code of 1986 (the "**IRS Code**"). Thus, an investment in the Funds may not be desirable for certain tax-exempt investors. For example, the Funds may incur leverage giving rise to UBTI or participate in investments that give rise to UBTI through entities that are treated as partnerships for U.S. federal income tax purposes. Because of the "flow-through" principles applicable to partnerships, if UBTI is earned by the Funds, a tax-exempt investor in the Funds will realize UBTI. Because of the Advisers' objective of maximizing the pre-tax returns of all the Investors, the Advisers may be required to make certain decisions to maximize pre-tax returns that result in Tax-Exempt U.S. Investors (as defined below) recognizing more UBTI than might otherwise be the case. In some cases, the Advisers may forego actions with regard to the acquisition, financing, management, and disposition of assets that would reduce UBTI because such actions would reduce the overall pre-tax returns to all the Investors.

Tax Changes. Investors will be subject to the risk that changes to the tax law may adversely affect the federal income tax consequences of their investment in the Funds. Changes in existing tax laws or regulations and their interpretation may be enacted after the date of this Brochure, possibly with retroactive effect, and could alter the income tax consequences of an investment in the Funds. Certain provisions of the IRS Code may be further amended or interpreted in a manner adverse to the Funds, in which event any benefits derived from an investment in the Funds may be adversely affected. In addition, significant legislative and budgetary proposals affecting tax laws have been made by the legislative and executive branches of the U.S. federal government. The likelihood of enactment of any such proposals, or any similar proposals, into law is uncertain. The enactment of any such proposals, including subsequent proposals, into law could have material adverse effects on the Funds or the Investors. Enactment of such legislation, or similar legislation, could require significant restructuring of the Funds in order to mitigate such effects.

The foregoing is not intended to be an exhaustive analysis or listing of the tax risks associated with an investment in the Funds. Many of the relevant tax considerations will vary depending

on a prospective Investor's individual circumstances. The tax aspects associated with such an investment are complex and complicated and are subject to a variety of interpretations.

In view of the foregoing considerations, an investment is suitable only for investors who are capable of bearing the relevant investment risks.

Item 8.C.

Risks Related to the Oil and Natural Gas Industries

Risks Related to the Energy Industry. Investments in the energy industry are subject to a variety of risks, not all of which can be foreseen or quantified. For example, the success of many of the Funds' investments is likely to be affected by factors such as the following: (i) the market for oil; (ii) timing and amount of future production of oil or gas; (iii) quantities of discovered or probable, potential or proved reserves of oil or gas; (iv) marketing of and market prices for oil, gas or oil or gas properties generally or in any particular location; (v) governmental and environmental regulation of the oil and gas industry; (vi) industry competition, conditions, performance and consolidation; and (vii) natural events.

Concentration. The investments of some of the Funds will be concentrated in the energy industry and will be subject to numerous risks that affect the energy industry as a whole or the upstream sector of the industry in particular. As a result, returns from an investment in the Funds may be subject to significantly greater risk than an investment in a portfolio of investments that represents a broad range of industries or industry sectors.

Geological Risk. Investments concentrated in the oil and gas industries involve an element of geological risk. The term "geological risk" refers to the risk that hydrocarbons may not be present or, if present, may not be recoverable economically. The successful location of economically recoverable hydrocarbons in any drilling operation cannot be guaranteed.

Evaluation Limitations. The acquisition of a specific Funds' investment will depend in part on the evaluation of data obtained from geophysical and geological analyses, seismic data and other information, the results of which are often inconclusive and subject to various interpretations. The process of estimating oil and gas reserves is complex and inherently subjective, requiring significant estimates and assumptions. Information may be incomplete (particularly in early-stage opportunities) and implications of available data may not be fully understood. Such an investment may also implicate title, development, environmental and other risks.

Market Factors. The Funds are likely to be significantly affected by the future prices of and the demand for oil and natural gas, which are inherently uncertain. Prices for oil, natural gas and

natural gas liquids have fluctuated greatly in the past, due to numerous factors beyond the control of the Funds, the general partner, or the Advisers. The Funds may also be affected by the availability of equipment, supplies, personnel and facilities necessary to realize the value of the enterprises on which the Fund's investments are based.

Regulation. The energy industry is affected from time to time in varying degrees by political developments and a wide range of federal, state and local statutes, rules, orders and regulations that may, in turn, affect the operations and costs of the companies engaged in the energy industry.

Regulation of Production. The exploration and production of natural resources are subject to extensive federal, state and local, rules, orders, and regulations governing a wide variety of matters, including the drilling and spacing of projects, allowable rates of production and prevention of waste and pollution. In addition to the direct costs borne in complying with such regulations, operations and revenues of companies on which the Funds' investments are based may be impacted to the extent that certain regulations limit natural resource production to below economic levels.

Risks Related to the Music Royalty Industry

Music Industry. There is significant uncertainty as to the nature and scale of the future development of the music industry. As such, it is not certain that current royalty income sources will be maintained or replaced with other income sources of a similar value.

Copyright Ownership. Disputes regarding ownership are a risk to which the Funds may be exposed. The royalty income arising from a copyright acquired by the Funds may be challenged by third parties claiming rights to the same royalty income and copyright. Investments made in copyrights, master recordings and other related rights are not perpetual rights; they expire or revert at the end of the relevant time period. At expiry or reversion, third parties may use the rights without payment of royalty and hence the income and value related to the relevant copyright will end.

Item 9: Disciplinary Information

There are no legal or disciplinary events to report regarding the Advisers or any of their directors, officers, or principals regarding any criminal or civil actions in a domestic, foreign, or military court.

Neither the Advisers, nor any of their directors, officers, or principals have been involved in any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

Neither the Advisers, nor any of their directors, officers, or principals has been involved in any self-regulatory organization proceedings.

Item 10: Other Financial Industry Activities and Affiliations

Item 10.A.

Kline Oliver is a Certified Financial Advisor.

Item 10.B.

Neither the Advisers nor any of their 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.

Item 10.C.

Other than as described in this Brochure, neither the Advisers nor any of their management persons have any relationships or arrangements that are material to their advisory business or to the Funds with any related person who is a broker-dealer, municipal securities dealer or government securities dealer or broker; investment company or other pooled investment vehicle; other investment adviser or financial planner; futures commission merchant, commodity pool operator or commodity trading advisor; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of limited partnerships.

Item 10.D.

The Advisers do not recommend or select other investment advisers for the Funds, nor do they have other business relationships with other investments advisers that create a material conflict of interest.

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

Item 11.A.

Pursuant to SEC Rule 204A-1, the Advisers have adopted and implemented a Code of Ethics (the “Code”), which sets forth standards of conduct that are expected of the Advisers’ supervised persons. A copy of the Code will be provided to any client or prospective client upon request.

The Code requires the Advisers’ personnel to (among other things):

- Report their personal securities transactions;
- Pre-clear any proposed purchase of any initial public offering or private offering; and
- Comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material, non-public information.

Personal securities transactions by the Advisers’ personnel generally are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

The Advisers and their affiliated persons may come into possession, from time to time, of material, nonpublic or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, the Advisers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Advisers. Accordingly, should the Advisers or any of their affiliated persons come into possession of material, nonpublic or other confidential information with respect to any public company, the Advisers would be prohibited from communicating such information to clients, and the Advisers will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of the Advisers’ personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

The Advisers maintain a restricted list that includes issuers and securities with respect to which supervised persons generally are not permitted to trade without the prior approval of the Chief Compliance Officer. The restricted list may include, for example, an issuer about which the Advisers or one or more of their personnel may have acquired, or may otherwise be in possession of, material, non-public information.

The Advisers have also adopted policies and procedures relating to gifts and entertainment, political contributions and other potential material conflicts of interest.

Item 11.B.

The Advisers do make recommendations of investments in which the Advisers or a related person has a financial interest. This could potentially present conflicts of interest. If the Advisers were to engage in principal transactions, the potential conflicts would first be addressed by the Chief Compliance Officer by carefully reviewing the investment presentation; and then, if approved by the CCO, the Advisers would be required provide written notice as to Advisers' and/or its affiliates' interest in writing and obtain written consent to the transaction before it is executed.

Item 11.C.

The Advisers or a related person can invest in the same or related securities that the Advisers recommend to the Funds. In such situations, the Adviser has adopted policies and procedures to deter conflicts of interest among the Advisers, its related persons, and the Funds. The potential conflicts are addressed by providing written notice as to its interest, if any, in any investments.

Item 11.D.

The Advisers or a related person can invest its own account in the same or related securities that the Advisers recommends to the Funds. In such situations, the Adviser has adopted policies and procedures to deter conflicts of interest among the Advisers, its related persons, and the Funds. The potential conflicts are addressed by providing written notice as to its interest, if any, in any investments.

Item 12: Brokerage Practices**Item 12.A.**

The Advisers have discretionary authority to select broker-dealers and the commission rates to be paid for transactions. To the extent applicable, transactions will normally be effected through brokers on securities exchanges or directly with the issuer, or through an underwriter, or market maker or other dealer for the investments. Transactions through brokers involve a commission to the broker. Transactions with dealers typically are priced to include a spread between the bid and the asked price to compensate the dealer.

The primary selection criterion employed by the Advisers in connection with selecting brokers for Funds' transactions, is the brokers' ability to provide best execution. In assessing best execution, and its overall broker relationships, the Advisers consider a variety of factors including a totality of circumstances, including the broker-dealer's research capabilities and the success of prior research recommendations (including private equity financings), ability to efficiently execute difficult trades (such as those in illiquid markets or trades of substantial size), the broker's risk in positioning a block of securities, commitment of capital, access to new issues,

nature and frequency of sales coverage, depth of services provided, including economic or political coverage, arbitrage and option operations, back office and processing capabilities, financial strength, stability and responsibility, efficiency, reputation, access to markets, confidentiality, commission rates, responsiveness to the investment manager, and the value of research and brokerage and research products and services provided by such brokers.

The Advisers may also execute trades with brokers and dealers with whom the Funds or the Advisers have other business relationships, including prime brokerage, credit relationships, and capital introduction or investments by affiliates of the broker-dealers in the Funds or other entities managed by the Advisers. However, the Advisers do not believe that these other relationships will influence the choice of brokers and dealers who execute trades for the Funds. Research and brokerage products and services may be used by the Advisers in servicing some or all of the Advisers' clients. In addition, some research and brokerage may not be used by the Advisers in servicing the clients whose commission dollars provided for the research or brokerage. Clients may not, in any particular instance, be the direct or indirect beneficiaries of the research or brokerage provided. Certain clients, who are the beneficiaries of research or brokerage, may have an investment style which results in the generation of a small amount of brokerage commissions due to a lack of active trading for their accounts. As a result, clients who generate sizeable commissions subsidize research or brokerage provided to clients whose accounts generate minimal brokerage commissions since the commission dollars generated by transactions for such clients are not sufficient to pay for research or brokerage that may be received by such clients from other brokers.

Item 12.B.

The Advisers may face actual or potential conflicts of interest when allocating investment opportunities among Clients. The general policy of the Advisers is to allocate investment opportunities among the applicable Clients in a fair and equitable manner and in accordance with the terms of its policies and the applicable governing documents for each Fund.

Item 13: Review of Accounts

Item 13.A. and Item 13.B.

All Fund assets are periodically monitored and reviewed by the Advisers' investment team. The investment team reviews each Fund in the context of its stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the market, political or economic environment.

Item 13.C.

Investors in the Funds are provided quarterly unaudited return estimates. Return estimates are prepared internally. Each Fund provides quarterly unaudited NAV statements to investors in such Funds.

Investors in all Funds are also provided annual audited financial information. The Advisers may also prepare and deliver to such investors additional information the Advisers deem pertinent.

Item 14: Client Referrals and Other Compensation**Item 14.A.**

No persons other than the Funds provide an economic benefit to the Advisers for providing investment advice or other advisory services to the Funds.

Item 14.B.

The Advisers may from time to time engage placement agents, solicitor or finders for the interests of the Funds. The Advisers may pay solicitors a portion of the fees paid to the Advisers or other compensation.

Such compensation is paid in a manner intended to comply with SEC Rule 206(4)-3, which regulates the payment of solicitation fees by registered investment advisers, as well as applicable regulations under the Securities Act of 1934.

Item 15: Custody

The Advisers maintain compliance with Rule 206(4)-2 of the Investment Advisers Act of 1940 by ensuring that:

- The Funds are audited on an annual basis by an independent accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules.

The Advisers distribute audited financial statements prepared in accordance with generally accepted accounting principles to all members (or other beneficial owners) of the Funds within 120 of the end of its fiscal year.

Item 16: Investment Discretion

The Advisers manage the Funds on a discretionary basis in accordance with the terms and conditions of each Fund's offering and organizational documents. Despite this broad authority,

the Advisers are committed to adhering to the investment strategy and program set forth in the offering materials of each Fund. These documents cover matters such as the types and amounts of assets of which a Funds' portfolio will consist, portfolio allocation limitations, and the degree of risk assumed by a Funds' portfolio. Before accepting the discretionary authority inherent in managing accounts of Funds, the Advisers carefully review the investment strategies and investment programs set out in the offering materials of each Fund.

Item 17: Voting Client Securities

To the extent that the Advisers have discretion to vote the proxies on behalf of a Client, the Advisers will vote any proxies in the best interest of the Clients and in accordance with its proxy voting policies contained in the Compliance Manual.

In the event of a material conflict of interest, the Advisers will follow the written policies and procedures detailed in the Compliance Manual. Although not intended to be used on a regular basis, the Advisers may retain an independent third party to vote proxies in certain situations (including situations where a material conflict of interest is identified).

Clients generally do not have the ability to direct proxy votes. Clients may obtain additional information regarding how the Advisers voted proxies and may request and obtain a copy of the Adviser's proxy voting policies and procedures.

Item 18: Financial Information

Item 18.A.

The Advisers do not require or solicit prepayment of fees six months or more in advance.

Item 18.B.

The Advisers do not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.

Item 18.C.

The Advisers have not been the subject of a bankruptcy petition.