

Form ADV Part 2A

Energy Trust LLC
551 Fifth Avenue – 37th Floor
New York, NY 10176

Contact Employee:
Alan Hsia
Managing Director
(212) 557-0868
alan.hsia@energytrustllc.com

www.energytrustllc.com

March 24, 2020

This brochure provides information about the qualifications and business practices of Energy Trust LLC. If you have any questions about the contents of this brochure, please contact us at (212) 557-0875. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Please note that being a "registered investment adviser" does not imply a certain level of skill or training.

Material Changes

There are no material changes to Energy Trust LLC's Form ADV Part 2A from the previous brochure filed on February 12, 2019.

Table of Contents

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

4. Advisory Business

Energy Trust LLC (“Energy Trust”) was formed in January 2001 as the result of a management buyout of the institutional oil and gas investment management business of UBS Asset Management. Since the inception of this business in late 1981 as Chase Investors Management Corporation, the investment team has originated and managed in excess of \$2.5 billion of energy investments, including both direct investments in oil and gas assets and participations in energy private equity funds.

Its two principal owners, i.e. those holding 25% or more ownership, are Alan Hsia, a Managing Director of the firm, and the Houston Firefighters Relief and Retirement Fund, a domestic entity.

Energy Trust specializes in investments in the Oil and Gas industry. The registrant provides discretionary and non-discretionary investment advisory and supervisory services. The registrant typically serves as an investment manager for pension funds or other institutional investors that invest directly in oil and gas reserve-based investments.

As of December 31, 2019 Energy Trust managed approximately \$29 million in discretionary assets.

Energy Trust follows guidelines specified in each pertinent client investment management agreement. These guidelines may include types of securities permitted, diversification and other requirements. Energy Trust does not participate in wrap fee programs.

5. Fees and Compensation

Below please find Energy Trust’s management fee and origination fee schedules for its investment advisory business.

FEE SCHEDULE

- Management Fee

The management fee schedule for separate accounts is as follows:

<u>Market Value of Investments</u>	<u>Annual Fee</u>
First \$10 Million	1.00%
Next \$10 Million	.75%
Above \$20 Million	.50%

For large sums committed to any one new investment, the following fee schedule will apply for such an investment:

<u>Market Value of Investment</u>	<u>Annual Fee</u>
First \$35 Million	Normal Fee as Per Above
Next \$10 Million	.40%
Next \$10 Million	.30%
Thereafter	.20%

- **Origination Fee**

The origination fee for separate accounts is a one-time fee based on the amount actually funded for each investment.

<u>Amount Funded</u>	<u>Origination Fee</u>
First \$5 Million	1.00%
Next \$5 Million	.50%
Thereafter	.20%

The Management Fees and the Origination Fees for separate accounts are billed quarterly in arrears and cannot be prepaid. Fees are consistent for all advisory clients and thus not negotiable on a client by client basis. Clients are invoiced directly and Energy Trust cannot deduct fees from the clients' assets. The fee schedule is specified in each client investment management agreement, which can be terminated by either party with notice as specified in the client investment management agreement. There are no other fees related to our advisory services. The Management Fee for any partial period will be prorated.

Energy Trust does not receive compensation for the purchase or sales of securities or other investment products.

6. Performance-Based Fees and Side-by-Side Management

Energy Trust does not receive performance-based nor side-by-side management fees from its advisory clients. Members of Energy Trust LLC invest in several private equity funds, and certain members are involved in managing some of these private equity funds. The investment activities of Energy Trust and the private equity funds do not overlap and, accordingly, there would be no potential conflict of interest.

7. Types of Clients

In excess of 90% of Energy Trust's investment advisory business is on behalf of pension and profit sharing plans. Energy Trust also services an eleemosynary fund.

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

Energy Trust's primary analysis method would be described as fundamental. Oil and gas investments are long term in nature. Energy Trust's strategy is (1) to invest with industry operators who have demonstrated success in the same activities that are being considered, (2) to invest in oil and gas activities (property acquisition, exploratory and development drilling, or midstream/oilfield services) that provide the best opportunities that exist at the time based on energy industry conditions, (3) to provide the clients with diversification by operators and by investments, and (4) to make opportunistic asset sales.

To accomplish this, we perform the following:

- a) Extensive due diligence on the industry operator with whom an investment is to be made, including background checks on reputation and integrity, meetings with management team to determine competency, verification of track record, and review of financial condition.
- b) Review of existing oil and gas reserves to be included in the investment, if any, using a discounted cash flow analysis.
- c) Negotiation of the financial terms and the legal structure of the investment.

Sources of Information:

In addition to financial newspapers and magazines, inspections of corporate activities, and research materials prepared by industry consultants and brokerage houses, other sources of information include industry contacts, investors who have invested with the potential industry operator, state regulatory bodies, energy industry associations, independent engineering reports, and the operator's cash flow for the past several years.

Risks Involved

Our clients, all institutional investors, are aware that oil and gas investments, as is the case with other asset classes entail risks, including significant loss. Below please find some important considerations regarding our clients' investments in the Oil and Gas Industry:

a) Illiquid Investments

The investments consist principally of net profits interests burdening oil and gas working interests. Such investments are generally illiquid as there is no readily available market in which they can be sold. Return of investment is typically generated through cash flow as oil and gas reserves are produced and sold. As a result, such investments must be held for a significant period of time in order to realize any potential gains thereon. In general, there can be no assurance that Energy Trust will be able to liquidate a particular security or investment at the time and upon the terms it desires.

b) Lack of Diversification; Limited Number of Investments

Each client's assets are managed by Energy Trust in a separate account. The number of investments and diversity of thereof vary among clients.

c) Non-U.S. Investments

Energy Trust currently manages one investment in Canada. This investment is subject to risks of fluctuating foreign currency exchange rates as well as Canadian tax laws and the tax treaty between the U.S. and Canada. There can be no assurance that the tax laws or the tax treaty will not be changed in a manner adverse to the investment.

d) Control of Investments

Net profits interests by definition are passive and leave all operational decisions to the owner of the underlying oil and gas working interest. Although working interest owners are generally subject to common prudent operating standards, Energy Trust, as manager of the investments, has a limited ability to influence decisions regarding the underlying oil and gas assets, and the investments are thus subject to decisions made by third parties.

e) Oil and Gas Prices / Costs

Oil and gas production as well as exploration and development activity are significantly influenced by fluctuations in market prices of oil and gas, both in the spot and futures markets, as well as the costs of drilling and production. Prices for oil and gas have historically been volatile. Drilling and production costs have also varied significantly depending on industry conditions, including in the oil field service sector. Energy Trust cannot predict future market prices for oil and gas nor costs, an adverse change to either of which could have a negative impact on the investments.

f) Oil and Gas Reserve Risks

In addition to oil and gas prices and costs, the performance of the investments is dependent upon the performance of the underlying reserves. Oil and gas are extracted from reservoirs thousands of feet underground, and multiple factors influence performance, including porosity, permeability, temperature, and pressure. Consequently, there is inherent uncertainty in the size of reservoirs, the ability to economically extract the reserves, and mechanical risks in the extraction thereof, all of which could have an effect on the investments. In addition, where drilling operations are conducted to seek additional reserves, there can be no assurance that such reserves will be encountered or found in commercial quantities.

g) Governmental Regulation and Environmental Matters

The oil and gas industry is affected in varying degrees by political developments and a wide range of federal, state and local statutes, orders, regulations, royalty regimes, and tax and other policies. Energy Trust can neither predict how these factors may change over time nor their impact on the investments. In addition, various federal, state and local laws and regulations relating to the protection of the environment may affect the operations and costs of the companies in which the Partnership invests. These laws and regulations may (i) restrict the types, quantities and concentration of various substances that can be released into the environment; (ii) require reporting of the storage, use or release of certain chemicals and hazardous substances; (iii) require removal or cleanup of contamination under certain circumstances; and (iv) impose substantial civil liabilities or criminal penalties. Moreover, there has been a trend in recent years toward stricter standards in environmental, health and safety legislation and regulation which is likely to continue and could impact the investments.

h) Operating Hazards and Uninsured Risks

Each of the investments, depending on the nature and scope of its activities, may be subject to certain operating risks, such as unusual or unexpected mechanical failures of equipment, fires or explosions, and pollution, other environmental risks, or Acts of God. These hazards could result in substantial losses to a portfolio company due to impairment of oil and gas reserves, injury and loss of life, severe damage to and destruction of property and equipment, pollution and other environmental damage and suspension of operations. There can be no assurance that investments can be fully insured against all risks associated with their business, either because such insurance is not available or because the cost of such insurance would be prohibitive.

i) COVID-19

The current global outbreak of Coronavirus (or Covid-19) created enormous unprecedented economic and social uncertainty throughout the world. The ultimate impact of the Coronavirus outbreak is difficult to predict, but the reactions to it have already had dramatic adverse effects on global, national and local economies and on financial markets, and there is a significant likelihood that that negative impact will persist for some time. In particular, disruptions to commercial activity across economies due to the imposition of quarantines, remote working policies, “social distancing” practices and travel restrictions, and/or failures to contain the outbreak despite these measures, could materially and adversely impact our Clients’ investments. The imposition of such restrictions (including “shelter-in-place” or “lock-down” directives) could materially disrupt business activities and create volatility in financial markets, which could negatively impact the performance of our Client’s accounts.

9. Disciplinary Information

Energy Trust has no legal or disciplinary events to report that would be material to a client or prospective client’s evaluation of Energy Trust’s advisory business or the integrity of its management.

10. Other Financial Industry Activities and Affiliations

Energy Trust LLC has no other financial industry activities and affiliations other than its affiliation with Energy Trust II LLC, an entity formed to hold certain investments.

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

Energy Trust has adopted a Code of Ethics which sets forth standards of ethical and business conduct expected of Energy Trust's personnel and addresses conflicts that may arise from personal trading by the registrant's personnel. Energy Trust's Code of Ethics, among other things, requires compliance with the federal securities laws, reflects Energy Trust's fiduciary responsibilities and those of its advisory personnel, requires Energy Trust's personnel to periodically report their personal securities transactions and to pre-clear certain securities transactions and addresses prevention of the misuse of material nonpublic information. The Code of Ethics will be provided to any client or potential client upon request.

Included in Energy Trust's Code of Ethics is the requirement that any purchase or sale of securities related to the Oil & Gas Industry must have pre-clearance from the Chief Compliance Officer. Additionally, no Access Person may engage in a transaction in a Security (which term includes an interest in a collective investment vehicle) that Energy Trust currently manages on behalf of any Client.

Some of Energy Trust's advisory clients have also invested in some of the private equity funds. None of these clients were solicited by Energy Trust, and all made their decisions to invest without investment advice from Energy Trust. None of the entities are managed by Energy Trust. The investment activities of Energy Trust and the private equity funds do not overlap and, accordingly, there would be no potential conflict of interest.

12. Brokerage Practices

Although no investment currently managed by Energy Trust involves execution by a broker-dealer, should the need arise Energy Trust would seek "best execution" giving consideration to a number of factors, which may include the broker-dealer's financial responsibility, reputation, range and quality of services (including execution), access to securities that may trade in a limited market and commission rates. Accordingly, Energy Trust would not be required to execute brokerage transactions solely on the basis of the lowest commission rate available for a particular transaction.

Energy Trust does not receive any "soft dollar" services from broker-dealers.

Trade Errors

Energy Trust will not be held responsible to its clients in case of clerical error, unless it is stated explicitly in the pertinent Investment Management Agreement otherwise.

13. Review of Accounts

Each client account will be subject to a formal review at least once each year. The review will focus on compliance with the investment management agreement and/or other restrictions and guidelines, investment allocation across accounts, performance, and the client relationship. The review will be conducted by a team composed of at least one of Energy Trust's managers plus another member or employee with relevant industry and firm experience, and will be signed and dated to evidence completion of the review.

During the year, an officer of Energy Trust will review all transactions affecting an account (*e.g.*, transfers of funds) separately for correctness.

Energy Trust will provide quarterly reports to clients, which will include an account holdings report (as of quarter end) and an account transactions report (for the quarter), as well as performance and cash flow information. The manager preparing the report will conduct, as part of the preparation process, an informal review of the account and the relationship.

14. Client Referrals and Other Compensation

Energy Trust does not receive any economic benefit from a non-client for providing investment advice or other advisory services to Energy Trust's clients. Nor does Energy Trust directly or indirectly compensate any person who is not Energy Trust's supervised person for client referrals.

15. Custody

Energy Trust does not have custody of client funds or securities.

16. Investment Discretion

Energy Trust follows guidelines specified in each pertinent client investment management agreement. These guidelines may include types of securities permitted, geographic location of the assets and diversification requirements. An overall commitment limitation is always specified in the investment management agreement.

17. Voting Client Securities

Due to the nature of Energy Trust's business, proxy voting does not occur.

18. Financial Information

Energy Trust does not require prepayment of more than \$1,200 in fees per client nor does Energy Trust have custody of clients' funds or securities and accordingly is not required to provide a balance sheet for the most recent fiscal year.

Energy Trust has not been the subject of any bankruptcy petition at any time during the past ten years.