

**FORM ADV, PART 2A**

**FIRM BROCHURE**

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**CAMBRIAN CAPITAL LIMITED PARTNERSHIP**

**(d/b/a CAMBRIAN CAPITAL, L.P.)**

**230 California Street, Suite 301  
San Francisco, CA 94111**

**March 27, 2020**

**This brochure provides information about the qualifications and business practices of Cambrian Capital Limited Partnership. If you have any questions about the contents of this brochure, please contact us at (415) 658-3000 or [greg@cambrianfunds.com](mailto:greg@cambrianfunds.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Cambrian Capital Limited Partnership also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Cambrian Capital Limited Partnership is registered with the SEC as an investment adviser. Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training.**

Item 2.           **Material Changes**

This Brochure includes changes to certain required disclosures as compared to our previously filed Brochure dated March 28, 2019, including some changes that our clients and the investors therein might consider material. Such changes include revised disclosures in Item 4 (in relation to our assets under management and our SEC registration status). We encourage you to carefully read this Brochure for full details.

Item 3.           **Table of Contents**

	<u>PAGE</u>
<b>Item 1.   Cover Page</b>	
<b>Item 2.   Material Changes .....</b>	<b>2</b>
<b>Item 3.   Table of Contents .....</b>	<b>3</b>
<b>Item 4.   Advisory Business .....</b>	<b>4</b>
<b>Item 5.   Fees and Compensation .....</b>	<b>4</b>
<b>Item 6.   Performance-Based Fees and Side-By-Side Management .....</b>	<b>8</b>
<b>Item 7.   Types of Clients .....</b>	<b>8</b>
<b>Item 8.   Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>9</b>
<b>Item 9.   Disciplinary Information.....</b>	<b>23</b>
<b>Item 10.  Other Financial Industry Activities and Affiliations.....</b>	<b>23</b>
<b>Item 11.  Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>24</b>
<b>Item 12.  Brokerage Practices .....</b>	<b>26</b>
<b>Item 13.  Review of Accounts .....</b>	<b>28</b>
<b>Item 14.  Client Referrals and Other Compensation.....</b>	<b>28</b>
<b>Item 15.  Custody .....</b>	<b>29</b>
<b>Item 16.  Investment Discretion .....</b>	<b>29</b>
<b>Item 17.  Voting Client Securities .....</b>	<b>29</b>
<b>Item 18.  Financial Information.....</b>	<b>30</b>
<b>Item 19.  Requirements for State-Registered Advisers .....</b>	<b>30</b>

Item 4. **Advisory Business**

Cambrian Capital Limited Partnership (“Cambrian,” “us” or “we”) is a Massachusetts limited partnership that was established in 2005. We provide investment management services to privately offered pooled investment funds (the “Funds”). The primary focus of Cambrian is to invest the assets of the Funds globally in securities of companies engaged in various activities in the energy and/or natural resources sectors, on both a long and short basis, and may also invest in other securities. For a further description of the Funds and their applicable investment strategies, please see Items 7 and 8 below.

Ernst H. von Metzsch and Roland A. von Metzsch are the founders of Cambrian, and are its principal owners. Roland A. von Metzsch holds his interests in Cambrian indirectly through Deventer, LLC, a Delaware limited liability company that is wholly owned by him. Ernst H. von Metzsch and Roland A. von Metzsch are also the owners and managing members of Cambrian Capital, LLC, the general partner of Cambrian.

Our only clients are the Funds. We provide investment advice to each Fund in a manner that is consistent with the investment objectives and strategies of each Fund, which are set forth in the applicable offering documents of each Fund. The Funds generally do not impose upon us restrictions on investing in certain securities or types of securities.

Cambrian Capital is currently registered as an investment adviser with the US Securities and Exchange Commission (“SEC”). However, in order to remain registered with the SEC, our Regulatory Assets Under Management (essentially gross assets) are required to be at least \$90 million. Our Regulatory Assets Under Management were below this threshold as at year-end 2019, and therefore we will deregister with the SEC in June 2020, per requirements.

We manage the Funds’ assets on a discretionary basis. As of December 31, 2019, the aggregate net asset value of the Funds was approximately \$79,471,394.

Item 5. **Fees and Compensation**

Cambrian receives compensation in the form of management fees (“Management Fees”), and its affiliate, CamCap Resources Partners, LLC (each, a “General Partner”), receives compensation in the form of performance-based allocations (“Performance Allocations”). Certain of the Funds (so-called “Feeder Funds”) invest all or substantially all of their assets in another Fund (a so-called “Master Fund”). Each of the Feeder Funds pays Management Fees to Cambrian, but none of the Feeder Funds pay a Performance Allocation to a General Partner directly. Rather, all Performance Allocations are paid at the level of the Master Fund to the General Partner (and such Performance Allocations are applicable, at the Master Fund level, to all of the assets invested therein by each of the applicable Feeder Funds). The Master Fund is not subject to any additional Management Fees.

Management Fees: Management Fees are charged to each Feeder Fund, pursuant to an investment management agreement between each Feeder Fund and Cambrian. Cambrian receives from each Feeder Fund a Management Fee payable quarterly in advance in an amount equal to .375% (1.5% annualized) of (i) in the case of the Domestic Fund, the balance in each limited partner's capital account in the Feeder Fund, or (ii) the net asset value of each series of shares in the Feeder Fund that is an Offshore Fund, in each case as calculated at the beginning of each calendar quarter (before reduction for any applicable Performance Allocation accrued or made during the year). A pro rata Management Fee also will be assessed on any subscription (including any additional subscription from an existing investor) that is accepted by a Feeder Fund as of any date other than the first day of a quarter. No refunds of any Management Fees will be made in the event that an investment is withdrawn from a Feeder Fund prior to the end of a calendar quarter, or in the event that an investment management agreement between a Feeder Fund and Cambrian is terminated prior to the end of a calendar quarter.

Performance Based Allocations: Performance Allocations are charged to the Master Fund, pursuant to the partnership agreement governing the Master Fund (and the General Partner is a party to the Master Fund partnership agreement). At the end of each fiscal year of the Master Fund, the applicable General Partner will have reallocated to its capital account in the Master Fund a Performance Allocation equal to twenty percent (20%) of the amount by which the aggregate amount of net profits (both realized and unrealized) allocated to each "Class H" sub-capital account (each, a "Sub-Account") maintained by the Master Fund (i.e., with respect to (i) each Class H limited partner in the Domestic Fund, and (ii) each series of Class H shares of the Offshore Fund) exceeds the Benchmark Amount (as defined below) for such Sub-Account for such year, subject to the "high watermark" provision discussed below. Any net profits may be based on realized and unrealized gains (provided, however, that unrealized appreciation and depreciation relating to certain illiquid investments that are designated by the applicable General Partner as "Designated Investments" will not be taken into account for purposes of determining any Performance Allocation until such Designated Investment is sold or otherwise becomes liquid) and shall be adjusted for dividends, withdrawals, redemptions and subscriptions with respect to the applicable Feeder Fund during such fiscal year.

In the event of a withdrawal or redemption by an investor in a Feeder Fund on any date other than December 31st, the Performance Allocation in respect of the amount to be withdrawn or redeemed will be calculated on such amount as of the date of such withdrawal or redemption. Since the General Partner will receive the Performance Allocation at the Master Fund level, no additional performance allocation will be made at the Feeder level with respect to any investments held by any Feeder Fund indirectly through its investment in a Master Fund.

For purposes of clarity, no Performance Allocation will be earned with respect to a Sub-Account if the net performance of such Sub-Account for any particular

period is negative, even if such Sub-Account outperforms the relevant Benchmark (as defined below) for such period. Cambrian (or the General Partner) may reduce, waive or otherwise modify the Performance Allocation with respect to investors in any Feeder Fund, including investors that are affiliates of Cambrian; provided, however, that no such reduction, waiver or modification will adversely impact any other investors, or cause them to bear a higher portion of the Performance Allocation than they would bear absent such reduction, waiver or modification. This may be effected through the creation of additional classes or subclasses of shares or limited partnership interests in any relevant Feeder Fund, or by other means, which will not require the approval of other investors in any Feeder Fund.

The applicable “Benchmark Amount” for each Class H Sub-Account with respect to any period for which a Performance Allocation is being determined is the amount that a Sub-Account would have earned or lost during such period had such Sub-Account achieved an investment return equal to that of the relevant “Benchmark” during such period, in each case after taking into account the amount and timing of any capital contributions and distributions with respect to such Sub-Account (and its corresponding capital account maintained for an investor’s Class H shares or limited partnership interests in a Feeder Fund). For the avoidance of doubt, even if a Sub-Account achieves an investment return for any year (or other relevant measurement period) that is less than the investment return of its applicable Benchmark for such year (or other period), there will in no event be any carryforward of any excess performance of the Benchmark to future periods, and the Benchmark will be measured anew for such future periods, without regard to performance in any prior years.

The Benchmark applicable to each Class H Sub-Account in the Master Fund will be the S&P Global Natural Resources Index (Net Total Return). The General Partner reserves the right to substitute a new index or other Benchmark for the Master Fund in the event that Cambrian determines that the Benchmark previously applicable to the Master Fund has ceased to be widely recognized as an indicative index of the performance of global resources markets, as applicable, and the new Benchmark is, in the reasonable determination of Cambrian, a more appropriate Benchmark.

The Master Fund will maintain a memorandum loss recovery account for each of its limited partners (including its two Feeder Funds) (commonly referred to as a “high watermark”) and a memorandum loss recovery sub-account (a “Loss Recovery Sub-Account”) that corresponds to each corresponding Sub-Account maintained for investments made through into the Master Fund through each Feeder Fund, as described above. At the end of a period for which the calculation of a Performance Allocation is required to be made with respect to a Sub-Account, the balance in the corresponding Loss Recovery Sub-Account will be increased by the aggregate net losses, if any, allocated to such Sub-Account for such period. The balance in each Loss Recovery Sub-Account will subsequently be reduced (but not below zero) by any net profits allocated to its corresponding

Sub-Account (before any Performance Allocation), even if the amount of such net profits is less than the applicable Benchmark Amount. The General Partner will not be allocated any Performance Allocation with respect to a Sub-Account until such Sub-Account has recovered any net losses credited to its Loss Recovery Sub-Account. The amount in any Loss Recovery Sub-Account shall be reduced on a pro rata basis for any withdrawals or redemptions of capital by the corresponding Feeder Fund investors to whom such Sub-Account is attributable. Additional capital contributions will not affect a Loss Recovery Sub-Account.

Investors in the Feeder Funds who do not hold Class H limited partnership interests or Class H Shares will also be subject to a 20% Performance Allocation generally in the manner calculated above (including with respect to the high watermark provisions), except that no Benchmark Amount shall be applied to or otherwise impact the amount of any Sub-Account maintained with respect to such investors' investments. Accordingly, the amount of any Performance Allocation with respect to such investors' Sub-Accounts and their corresponding high watermark calculations will be determined without regard to any Benchmark Amount.

Cambrian (or the General Partner) may reduce, waive or otherwise modify or calculate differently the Management Fee and/or Performance Allocation with respect to investors in any Feeder Fund, including investors that are affiliates of Cambrian, or Cambrian may share any such Management Fee or Performance Allocation with third parties, including persons who introduce investors to a Feeder Fund. Additional details regarding the calculation of Management Fees and Performance Allocations are disclosed in each Feeder Fund's respective offering documents.

Cambrian does not bill the investors in the Funds for Management Fees or Performance Allocations. Rather, Management Fees are deducted from the assets of the Feeder Funds on a quarterly basis, generally at the beginning of each calendar quarter, except to the extent that contributions are made to any Feeder Fund during a quarter, in which cases the applicable Management Fee will be prorated and charged at the time of such contribution. Each Feeder Fund charges its applicable Management Fee to the capital accounts or shares, as applicable, of each investor in such Feeder Fund accordingly. Similarly, the Performance Allocations are made within the Master Fund generally at the end of each year, or sooner with respect to any investor who withdraws or redeems from a Feeder Fund at any time other than at the end of a fiscal year.

In addition to the Management Fees and Performance Allocations described above, each Fund (and, indirectly, the investors therein) will pay certain additional expenses. Each Feeder Fund bears all costs and expenses related to its investments and operations, including, without limitation, brokerage and other transaction costs, clearing and settlement charges, interest and commitment fees on debit balances or borrowings, borrowing charges on securities sold short, costs of any liability insurance obtained on behalf of the Feeder Fund, custody fees, costs of any litigation or investigation involving Feeder Fund activities, indemnification expenses, consulting expenses, director fees (in the case of the Offshore Fund), legal fees and other expenses incurred in connection with

conducting due diligence, and negotiating terms of certain investments, the fees and expenses of professionals providing services to the Feeder Fund, including legal, audit, accounting, tax and administration, regulatory costs, any issue or transfer taxes chargeable in connection with any securities transactions, any entity level taxes, regulatory filing and license fees, costs of reporting and providing information to investors in the Feeder Fund, and any extraordinary expenses. Each Feeder Fund will also be responsible for its pro rata portion of the costs and expenses of the Master Fund, the nature of which expenses are similar to those of the Feeder Funds. A portion of each Fund's operating expenses may be shared with other investment entities or accounts managed by Cambrian (or any of its affiliates) on an equitable basis.

The Funds generally incur brokerage and other transaction costs as described above. See Item 12 for further information regarding brokerage.

Cambrian and its supervised persons do not accept any compensation for the sale of securities or other investment products, including any interests in the Funds.

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

Cambrian is entitled to receive Performance Allocations from the Master Fund, as disclosed in further detail in Item 5 above. The Performance Allocations, while charged at the level of the Master Fund, are applicable to all of the assets invested therein by each of the applicable Feeder Funds, subject to the right of Cambrian (or the General Partner) to reduce, waive or otherwise modify the Performance Allocation with respect to investors in any Feeder Fund (as also described in Item 5 above).

**Item 7. Types of Clients**

We currently provide investment advice to the Funds listed below. The investors in the Funds include trusts, family offices, business entities, pension and profit sharing plans, endowments, charitable organizations, foundations, funds of funds, financial institutions, and high net worth individuals.

We currently provide investment advice to the following "Master Fund":

- CamCap Resources Offshore Master Fund, L.P., a Cayman Islands exempted limited partnership

We currently provide investment advice to the following "Feeder Funds":

- CamCap Resources, L.P., a Delaware limited partnership
- CamCap Resources Offshore Fund, Ltd., a Cayman Islands exempted company



The Feeder Fund that is organized in the Cayman Islands (the “Offshore Feeder Fund”), together with the Master Fund, are sometimes referred to herein as the “Offshore Fund”. The Feeder Fund that is organized in Delaware are sometimes referred to herein as the “Domestic Fund”.

CamCap Resources Offshore Master Fund, L.P., together with its corresponding Feeder Funds (CamCap Resources, L.P. and CamCap Resources Offshore Fund, Ltd.), are sometimes referred to herein as the “Resources Funds”.

Except as otherwise provided in the next sentence, investors in the Domestic Fund and U.S. investors in the Offshore Fund must each be (i) an “accredited investor” as defined in Regulation D under the U.S. Securities Act of 1933, as amended, and (ii) a “qualified purchaser” as that term is defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the “1940 Act”) or a “knowledgeable employee” as that term is defined in Rule 3(c)-5 of the 1940 Act.

The required minimum initial investment in each Feeder Fund, which can be waived for any prospective investor by the General Partner of the Domestic Fund or, as applicable, the Board of Directors of the Offshore Fund, is \$5,000,000.

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

The investment objective of the Fund is to provide attractive total returns to its investors, while reducing risk. The Master Fund (and indirectly through their investments therein, the Feeder Funds) seeks to achieve this objective primarily by investing globally in companies engaged in the exploration, production, refining, marketing, transportation, and distribution of energy sources including oil, natural gas, coal and uranium, as well as related service companies and equipment manufacturers. The Funds may also invest globally in companies engaged in the exploration, production, refining, marketing, transportation, and distribution of ferrous and non-ferrous metals, precious metals, paper and forest products, chemicals, agriculture, and water, as well as related service companies and equipment manufacturers. The Funds may also invest in utilities and companies focused on alternative energy sources and in the energy and natural resources commodity markets. The primary focus of the Resources Funds’ investment activities currently is in oil and gas exploration and production companies. The Resources Funds may invest in the expansive natural resources commodities markets.

The Fund may also invest in the oil and gas refining, marketing, transportation, and distribution areas, and in investment opportunities that may be available outside of the oil and gas markets, such as in the coal and nuclear industries. The Fund may invest in alternative energy sources, such as geothermal, biofuels, fuel cells, and solar and wind power. The Fund may also invest in regulated industries, such as electric and natural gas utilities, although these sectors are not expected to be a major factor in the Fund’s portfolio.

Cambrian's investment process is focused on the fundamental research and analysis of companies and the macro environment in which they operate.

Cambrian expects to employ, from time to time, several strategies to achieve each Fund's investment objective, including long/short equity strategies and risk-reducing equity option driven strategies.

### Material Risks

Investments in each Fund present potentially significant risks and is not intended as a complete investment program. Investing in securities involves risk of loss that investors should be prepared to bear. The following material risks relate generally to the investment strategies and methods of analysis for the Resources Funds. Not all of the risks described below will be equally relevant to each Fund that we manage at any time.

#### ***Nature of Investments in the Energy and Natural Resources Sectors.***

Investments in the energy and natural resources sectors are subject to a variety of risks, not all of which can be foreseen or quantified. Such risks, which may or may not be applicable to one or more types of natural resources, may include but are not limited to: (i) the risk that the technology employed in an energy or natural resources project will not be effective or efficient; (ii) uncertainty about the availability or efficacy of offtake agreements, energy sales agreements or fuel supply agreements that may be entered into in connection with a project; (iii) risks that regulations affecting one or more sectors within the energy and natural resources industries will change in a manner detrimental to such industries; (iv) environmental liability risks related to energy or natural resources properties and projects; (v) risks of equipment failures, fuel interruptions, loss of sale, and supply contracts or energy contracts, decreases or escalations in power contract or energy contract prices, bankruptcy of key customers or suppliers, tort liability in excess of insurance coverage, inability to obtain desirable amounts of insurance at economic rates, acts of God and other catastrophes; (vi) uncertainty about the extent, quality, and availability of energy and other natural resources, such as oil, gas, coal, uranium, ferrous and non-ferrous metals, precious metals, paper and forest products, chemicals, agriculture, and water; (vii) the risk that conservation could occur at a rate more rapid than the increase of marginal cost for energy, thereby lowering prices or that new forms of energy could evolve or be discovered; (viii) the risk that interest rates may increase, making it difficult or impossible to obtain project financing, or impairing the cash flow of leveraged projects; (ix) the risk of changes in values of companies in the energy and natural resources sectors whose operations are affected by changes in prices and supplies of energy and other natural resources (prices and supplies of energy and other natural resources can fluctuate significantly over a short period of time due to changes in international politics, energy conservation, the success of exploration projects, the tax and other regulatory policies of various governments, and the economic growth of countries that are large consumers of natural resources, as well as other factors); (x) the risk of political and economic instability in various

regions of the world that may be particularly prevalent in countries that produce certain energy and other natural resources, such as oil, gas, and uranium; and (xi) substitution risk associated with certain natural resources. The occurrence of events related to the foregoing may have a material adverse effect on the Funds and their investments.

In addition to the foregoing, certain of the companies in which the Funds expect to invest may be subject to the risks inherent in acquiring or developing recoverable energy and other natural resources, including capital expenditures for the identification and acquisitions of projects, the drilling and completing of wells and mines and the conduct of development and production operations. The presence of unanticipated pressures or irregularities in formations, miscalculations, or accidents may cause such activity to be unsuccessful, which may result in losses. Furthermore, successful investing in oil, gas and other energy generating projects requires an assessment of (i) recoverable reserves, (ii) future prices of various energy and other natural resources, (iii) operating and capital costs, (iv) potential environmental and other liabilities, and (v) other factors; such assessments are necessarily inexact and their accuracy inherently uncertain. Also, the revenues generated by certain of the companies in which the Funds invest may be dependent on the future prices of and the demand for energy and other natural resources. Investments in the energy and natural resources sector may have significant shortfalls in projected cash flow if energy and natural resources prices decline from levels at the time the investment is made. For example, various factors beyond the control of the Funds will affect prices of oil, natural gas, and natural gas liquids, including the worldwide supply of oil and natural gas, political instability or armed conflict in oil and natural gas producing regions (including conflict arising out of the terrorist attacks of September 11, 2001), the price of foreign imports, the level of consumer demand, the price and availability of alternative fuels, the availability of pipeline capacity, and changes in existing government regulation, taxation, and price control. Furthermore, energy and natural resources prices are mostly commoditized and thus are sensitive to the global economy. A healthy US economy does not preclude economic malaise elsewhere and an associated drop in energy and natural resources prices. Prices for certain energy and other natural resources such as oil and natural gas have fluctuated greatly in the past, and markets for such natural resources continue to be volatile. The same is true for other sources of energy such as coal and uranium.

***Volatility of Prices of Energy and Natural Resources.*** The success of the Funds investments in companies concentrating on the energy and natural resources industries will be substantially dependent upon the market prices for energy and other natural resources. Historically, the markets for energy and other natural resources have been volatile and such volatility may continue or recur in the future. Various factors beyond the control of the Funds will affect prices of energy and other natural resources. For example, the worldwide and domestic supplies of energy may be affected by the ability of the members of the

Organization of Petroleum Exporting Countries (“OPEC”) to agree to and maintain oil price and production controls, political instability or armed conflict in oil or natural gas producing regions, the price and level of foreign imports, the level of consumer demand, the price, availability and acceptance of alternative fuels, the availability of pipeline capacity, weather conditions, domestic and foreign governmental regulations and taxes and the overall economic environment. Any significant decline in the price of one or more natural resources (including energy) could adversely affect the Funds’ profitability. The prices of other sources of energy, such as coal and uranium, are also volatile.

***Uncertainty of Estimates of Oil, Gas, and Other Reserves.*** There are numerous uncertainties inherent in estimating quantities and value of proved energy and other natural resources reserves, including those related to oil, natural gas, and other energy reserves and their values. Estimates of such reserves, by necessity, are projections based on engineering data, and there are uncertainties inherent in the interpretation of such data as well as the projection of future rates of production and the timing of development expenditures. Reserve engineering is a subjective process of estimating underground accumulations of certain natural resources (including oil, natural gas, and other energy sources), which are difficult to measure. The accuracy of any reserve estimate is a function of the quality of available data, engineering and geological interpretation and judgment. Estimates of economically recoverable natural resources (including oil, natural gas, and other energy reserves) and of future net cash flows necessarily depend upon a number of variable factors and assumptions, such as historical production from the area compared with production from other producing areas, the assumed effects of regulations by governmental agencies and assumptions concerning future prices of natural resources, future operating costs, severance and excise taxes, development costs and workover and remedial costs, all of which may in fact vary considerably from actual results. For these reasons, estimates of the economically recoverable quantities of energy and other natural resources attributable to any particular group of properties, classifications of such reserves based on risk of recovery, and estimates of the future net cash flows expected there from may vary substantially. Any significant variance in the assumptions could materially affect the estimated quantity and value of the reserves. The correct measurement of the size and grade of uranium deposits, for example, is as, and often more, difficult to assess than those of oil and gas. Reserve estimation in the case of coal resources may be less complex in the case of large surface deposits, but becomes more difficult in deeper horizons. The various issues discussed above in the case of oil and gas apply to these commodities as well.

***Compliance with Governmental Regulations.*** The Funds will invest in energy and other natural resources and natural resources-related companies (including energy and energy-related companies) that are subject to extensive laws and regulations relating to the exploration for, and the development, production and transportation of, energy and natural resources, as well as safety matters, which may be changed from time to time in response to economic or political conditions.

Matters subject to regulation by authorities include permits for drilling and mining operations and road and pipeline construction, reports concerning operations, the space of wells, protection of mining rights, unitization and pooling of properties; taxation and alterations to development plans. In the case of oil and gas, regulatory agencies in the past have imposed price controls and limitations on production by restricting the rate of flow of oil and natural gas wells below actual production capacity in order to conserve supplies of oil and natural gas. Significant expenditures by the Funds' ultimate investment targets may be required to comply with governmental laws and regulations and may have a material adverse affect on the Funds' profitability.

***Compliance with Environmental Regulations.*** The Funds will invest in energy and other natural resources and energy and natural resources-related companies that are subject to numerous environmental laws, rules and regulations, including, without limitation, laws concerning the containment and disposal of hazardous materials, oilfield waste and other waste materials, the contamination of water supplies due to mining of certain natural resources, the use of underground storage tanks and the use of underground injection wells. Laws protecting the environment have generally become more stringent than in the past and are expected to continue to do so. Environmental laws and regulations typically impose "strict liability," which means that in some situations a company could be exposed to liability for cleanup costs and other damages as a result of conduct that was lawful at the time it occurred or conduct of, or conditions caused by, others. Cleanup costs and other damages arising as a result of environmental laws, and costs associated with changes in environmental laws and regulations, could be substantial and could have a material adverse affect on the Funds' profitability.

***Investment and Trading Risks.*** An investment in the Funds involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the Funds' investment programs will be successful. Cambrian invests substantially all of each Master Fund's assets in securities, some of which may be particularly sensitive to economic, market, industry, regulatory and other variable conditions. The markets in which the Funds expect to invest have recently experienced and continue to experience significant volatility and losses. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to the Funds.

***Systemic Risk.*** World events and/or the activities of one or more large participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in the Funds losing substantial value caused predominantly by liquidity and counterparty issues, which could result in the Funds incurring substantial losses.

***General Economic and Market Conditions.*** The success of the Funds activities will be affected by general economic and market conditions, such as interest rates,

availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect, among other things, the level and volatility of securities' prices, the liquidity of the Funds investments and the availability of certain securities and investments. Volatility or illiquidity could impair the Funds profitability or result in losses. The Funds may maintain substantial trading positions that can be materially adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

In recent years, global markets, including energy markets, experienced unprecedented volatility and illiquidity. The effects thereof are continuing and there can be no assurance that the Funds will not be materially adversely affected. These conditions have led to extensive governmental interventions. Such interventions have in certain cases been implemented on an “emergency” basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition – as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action – these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on Cambrian's strategies.

The Funds may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Funds from banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Funds. Market disruptions may from time to time cause dramatic losses for the Funds, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

***Market Disruptions; Governmental Intervention; Dodd-Frank Wall Street Reform and Consumer Protection Act.*** The global financial markets have in recent years gone through pervasive and fundamental disruptions that have led to extensive governmental intervention. Such intervention was in certain cases implemented on an “emergency” basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, certain of these interventions have been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), which aims to reform various aspects of the U.S. financial markets, covers a broad range of market participants including investment advisers (registered and unregistered) such as Cambrian. The Dodd-Frank Act may directly affect Cambrian by mandating additional new reporting requirements, including, but not limited to, position information, use of leverage and counterparty and credit risk exposure. Until the SEC implements the new reporting requirements, it is unknown how burdensome such new reporting requirements will be.

The Dodd-Frank Act may also affect the Funds in a number of other ways. Pursuant to the Dodd-Frank Act, banks and other financial firms (like the Funds and Cambrian) may be designated as “Systemically Important Financial Institutions” or SIFIs. Any bank or financial firm so designated will be subject to regulation by the Federal Reserve Board. In the area of derivatives, the Dodd-Frank Act provides for the registration and comprehensive regulation of “major swap participants.” Although the General Partner and the Cambrian believe they are unlikely to be classified as SIFIs and are not subject to the requirements for “major swap participants,” the consequences of being so classified could be substantial and adverse. In addition, the cost of derivative transactions may substantially increase as result of the Dodd-Frank Act as additional margin, capital and collateral obligations are implemented.

The Funds may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Funds from its banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Funds. Market disruptions may from time to time cause dramatic losses for the Funds, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

**Competition.** The securities industry and the varied strategies engaged in by Cambrian are extremely competitive and each involves a degree of risk. The Funds compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffing.

**Foreign Securities.** The Funds will invest in securities of non-U.S. issuers. The Funds’ investments in securities and instruments in foreign markets involve substantial risks not typically associated with investing in U.S. securities. Foreign securities investments may be adversely affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the United States and abroad) or changed circumstances in dealings between nations. Changes in foreign currency exchange rates relative to the U.S. dollar will affect the U.S. dollar value of the Funds assets denominated in that currency and thereby will have an impact upon

the Funds total return on such assets. The Funds may utilize options and forward contracts to hedge against currency fluctuations but there can be no assurance that such hedging transactions will be effective.

Investments in foreign securities will also be subject to risks relating to political and economic developments abroad, including the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of the Funds' assets and the effects of foreign social, economic or political instability. Foreign companies are not subject to the regulatory requirements of U.S. companies and, as such, there may be less publicly available information about such companies. Moreover, foreign companies are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies. Finally, in the event of a default of any foreign debt obligations, it may be more difficult for the Funds to obtain or enforce a judgment against the issuers of such securities.

Securities of foreign issuers may be less liquid than comparable securities of U.S. issuers and, as such, their price changes may be more volatile. Furthermore, foreign exchanges and broker-dealers are generally subject to less government and exchange scrutiny and regulation than their American counterparts. Brokerage commissions, dealer concessions and other transaction costs may be higher on foreign markets than in the U.S. In addition, differences in clearance and settlement procedures on foreign markets may occasion delays in settlements of the Funds' trades effected in such markets.

Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval. The Funds could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by the government of an emerging country.

Taxation of dividends, interest and capital gains received by non-residents varies among foreign countries and, in some cases, is comparatively high. In addition, some countries have tax laws and procedures that may permit retroactive taxation so that the Funds could in the future become subject to local tax liability that it had not reasonably anticipated in conducting its investment activities or valuing its assets.

***Use of Leverage.*** Cambrian may leverage the Funds portfolio through margin and other debt in order to increase the amount of capital available for investments. Although leverage increases returns to investors in the Funds if the Funds earn a greater return on the incremental investments made with borrowed funds than the Funds pay for such funds, the use of leverage decreases returns to the investors if the Funds fails to earn as much on such incremental investments as they pay for such funds. In the event that the Fund leverages its portfolio, fluctuations in the market value of such Funds portfolio will have a significant effect in relation to that Fund's capital and the risk of loss and the possibility of gain will each be



increased. In addition, when a Fund utilizes leverage, the level of interest rates generally, and the rates at which such Fund can borrow in particular, will be an expense of such Fund and therefore affect the operating results of such Fund. Leverage increases the risk of substantial losses (including the risk of a total loss of capital), and leverage can significantly magnify the volatility of the Funds' portfolios.

The Funds may use short-term margin borrowing when purchasing securities positions. Such borrowing, if made, may result in certain additional risks to the Funds. For example, should the securities pledged to brokers to secure a Fund's margin accounts decline in value, such Fund could be subject to a "margin call" pursuant to which the Fund would be required to either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden, precipitous drop in value of a Fund's assets, such Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

***Short Sales.*** A portion of the investment program for the Funds may include short selling. Short sales are sales of securities that a Fund borrows but does not actually own, usually made with the anticipation that the prices of the securities will decrease and the Fund will be able to make a profit by purchasing the securities at a later date at the lower prices. The Fund will incur a potentially unlimited loss on a short sale if the price of the security increases prior to the time it purchases the security to replace the borrowed security. A short sale presents greater risk than purchasing a security outright since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a "long" position is limited to the purchase price of the security. Closing out a short position may cause the security to rise further in value creating a greater loss.

Short sale transactions have been subject to increased regulatory scrutiny in response to recent market events, including the imposition of restrictions on short selling certain securities and reporting requirements. A Fund's ability to execute a short selling strategy may be materially adversely impacted by temporary and/or new permanent rules, interpretations, prohibitions, and restrictions adopted in response to these adverse market events. Temporary restrictions and/or prohibitions on short selling activity may be imposed by regulatory authorities with little or no advance notice and may impact prior trading activities of the Fund. Additionally, the Securities and Exchange Commission ("SEC"), its foreign counterparts, other governmental authorities and/or self-regulatory organizations may at any time promulgate permanent rules or interpretations consistent with such temporary restrictions or that impose additional or different permanent or temporary limitations or prohibitions. The SEC might impose different limitations and/or prohibitions on short selling from those imposed by various non-U.S. regulatory authorities. These different regulations, rules or interpretations might have different effective periods.

Regulatory authorities may impose restrictions that adversely affect a Fund's ability to borrow certain securities in connection with short sale transactions. In addition, traditional lenders of securities might be less likely to lend securities under certain market conditions. As a result, the Fund may not be able to effectively pursue a short selling strategy due to a limited supply of securities available for borrowing. The Fund may also incur additional costs in connection with short sale transactions, including in the event that it is required to enter into a borrowing arrangement in advance of any short sales. Moreover, the ability to continue to borrow a security is not guaranteed and the Fund is subject to strict delivery requirements. The inability of a Fund to deliver securities within the required time frame may subject such Fund to mandatory close out by the executing broker-dealer. A mandatory close out may subject the Fund to unintended costs and losses. Certain action or inaction by third-parties, such as executing broker-dealers or clearing broker-dealers, may materially impact a Fund's ability to effect short sale transactions. Such action or inaction may include a failure to deliver securities in a timely manner in connection with a short sale effected by a third-party unrelated to the Fund.

***Hedging.*** The Funds may utilize certain financial instruments and investment techniques for risk management or hedging purposes. There is no assurance that such risk management and hedging strategies will be successful, as such success will depend on, among other factors, Cambrian's ability to predict the future correlation, if any, between the performance of the instruments utilized for hedging purposes and the performance of the investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Funds' hedging strategies may also be subject to Cambrian's ability to correctly readjust and execute hedges in an efficient and timely manner. There is also a risk that such correlation will change over time rendering the hedge ineffective. The Funds' portfolios are not expected to be adequately hedged at all times and at various times Cambrian may elect to be more fully hedged and at other times hedged only to a limited extent, if at all. Accordingly, the Funds' assets may not be adequately protected from market volatility and other conditions.

***Illiquid Securities; Designated Investments.*** The Funds do not expect to designate future illiquid investments as "Designated Investments." Notwithstanding the foregoing, the Funds currently hold "Designated Investments" and may continue to do so until such time as such Designated Investments are sold or otherwise become liquid, as determined by Cambrian. In addition, the Funds may hold securities that, although they were generally liquid when purchased and capable of valuation, may over time become illiquid or difficult to value as a result of changing circumstances with respect to the issuer(s) of the securities or the markets generally. In such extraordinary circumstances, Cambrian (through its affiliated General Partner entities) may designate such securities as Designated Investments, and all investors in the applicable Funds at the date of such designation will participate on a pro rata basis

in such Designated Investments (including any investors that may have previously “opted-out” of participation in any Designated Investments). Such Designated Investments may have to be held for a substantial period of time before they can be liquidated, if at all. Market prices for such Designated Investments are often volatile and may not be ascertainable. The resale of restricted and illiquid securities often may have higher brokerage charges. Designated Investments may represent capital not available for withdrawal or redemption by investors in the applicable Funds. Such investments may be difficult to value.

Notwithstanding the foregoing, the Funds may also invest in privately offered securities of publicly listed companies (commonly referred to as PIPE transactions) that are expected to become registered in the future, and in certain other securities that are subject to certain restrictions on liquidity, which are generally expected to be short-term restrictions.

***Industry Concentration and Diversification.*** Since the Funds’ investments are concentrated within a particular industry or related group of industries (i.e., the energy sector (or the natural resources sector, in the case of the Resources Funds)), an investment in the Funds may be subject to greater market fluctuations than an investment in a portfolio of securities representing a broader range of industries. In addition, each Fund may generally invest up to 10% of its assets in a single portfolio investment at any time. As a consequence, the aggregate return on an investor’s investment in a Fund may be substantially adversely affected by the unfavorable performance of even a single portfolio investment. Although Cambrian will consider certain diversification parameters when assembling and maintaining each Fund’s portfolio, given each Fund’s focus on energy and energy-related companies and its ability to concentrate their assets in a smaller number of securities, a Fund should not be viewed as a complete investment program and each Fund will not be adequately diversified in all market conditions.

***Counterparty Risk.*** Some of the markets in which the Funds may effect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of “exchange-based” markets are subject. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Funds to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Fund has concentrated its transactions with a single or small group of counterparties. Counterparties in foreign markets face increased risks, including the risk of being taken over by the government or becoming bankrupt in countries with limited if any rights for creditors. The Funds are not restricted from concentrating any or all of its transactions with one counterparty. The ability of the Funds to transact business with any one or number of counterparties and the absence of a regulated market to facilitate settlement may

increase the potential for losses by the Funds. Counterparty risks also include the failure of executing brokers to honor, execute, or settle trades.

***Purchasing Securities of Initial Public Offerings.*** From time to time the Funds may purchase securities that are part of initial public offerings (“new issues”). The prices of these securities may be very volatile. The issuers of these securities may be undercapitalized, have a limited operating history, and lack revenues or operating income without any prospects of achieving them in the near future. Some of these issuers may only make available a limited number of shares for trading and therefore it may be difficult for the Funds to trade these securities without unfavorably impacting their prices. In addition, investors may lack extensive knowledge of the issuers of these securities. Rules 5130 and 5131 of the Financial Industry Regulatory Authority, Inc. restrict certain persons from participating in new issues and, therefore, certain investors in the Funds may be restricted from participating in the profits and losses attributable to new issues, if any.

***Risks of Investments in Options.*** Investing in options can provide greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market’s perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor’s entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price that may, upon exercise of the option, be significantly different from the market value. Over-the-counter options that the Funds may use in their investment strategies generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for options is relatively illiquid, particularly for relatively small transactions.

***Derivative Investments.*** Derivative instruments or “derivatives” include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the

transaction is entered into, a relatively small adverse market movement may expose the Funds to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

**Commodities.** The prices of commodities contracts are highly volatile. Price movements of commodities are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of certain futures, options and swap agreements also depends upon the price of the commodities underlying them. In addition, the Funds' assets are subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouse or counterparts.

Most U.S. commodities exchanges limit fluctuations in certain commodity interest prices during a single day by imposing what are known as "daily price fluctuation limits" or "daily limits." The existence of daily limits may reduce liquidity or effectively curtail trading in particular markets. Once the price of a particular contract has increased or decreased by the daily limit, effectively, positions in the contract can neither be taken nor liquidated. Contract prices in various commodities have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Funds from promptly liquidating unfavorable positions and subject the Funds to substantial losses that could exceed the margin initially committed to these trades. Daily limits may reduce liquidity, but do not limit ultimate losses, as daily limits apply on a day-to-day basis. In addition, even if contract prices have not moved the daily limit, the Funds may not be able to execute trades at favorable prices if there is only light trading in the contracts involved.

As part of its emergency powers, an exchange or the U.S. Commodity Futures Trading Commission (the "CFTC") can suspend or limit trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. The possibility also exists that non-U.S. governments may intervene to stabilize or fix exchange rates, restricting or substantially eliminating trading in certain affected currencies.

Cambrian (directly or through its General Partner affiliates) has claimed an exemption from registration with the CFTC as a commodity pool operator with respect to each of the Funds pursuant to Rule 4.13(a)(3) under the Commodity Exchange Act of 1936, as amended, because for each Fund, (1) either the aggregate initial margins and premiums required to establish commodity interest positions for such Fund do not exceed five percent of the liquidation value of the

Fund's portfolio or the aggregate net notional value of the Fund's commodity interest positions do not exceed one hundred percent of the liquidation value of the Fund's portfolio and (2) participation in such Fund is limited to certain classes of investors recognized under the federal securities and commodities laws. Unlike a registered commodity pool operator, neither Cambrian nor any of the General Partners is required to deliver a disclosure document and a certified report to participants in the Funds.

***Forward Trading.*** The Funds may enter into forward contracts with counterparties. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements, and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies and commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Funds due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which Cambrian would otherwise recommend, to the possible detriment of the Funds. Market illiquidity or disruption could result in significant losses to the Funds.

***Investments in Fixed-Income Securities.*** The Funds may invest a portion of their capital in bonds or other fixed income securities, including, without limitation, bonds, notes and debentures issued by corporations, debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, commercial paper, and "higher yielding" (and, therefore, higher risk) debt securities of the former categories. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. 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). A major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Item 9. **Disciplinary Information**

There are no legal or disciplinary events to report that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10. **Other Financial Industry Activities and Affiliations**

We currently provide investment advice to the Funds listed in Item 7 above. In addition, the following Cambrian affiliates serve as General Partners to the corresponding Funds listed below:

- CamCap Resources Partners, LLC serves as General Partner to each of CamCap Resources, L.P. and CamCap Resources Offshore Master Fund, L.P.

Cambrian and its members, affiliates and employees may engage in other activities, including providing investment management and advisory services to other accounts, and shall not be required to refrain from any activity, to disgorge profits from any such activity or to devote all or any particular amount of time or effort of any of their officers, directors or employees to the Funds and their affairs.

Cambrian serves as the investment manager to the Resources Funds. Allocation of investment opportunities among the Fund and, if applicable, any other accounts managed by Cambrian, will be made by Cambrian, in its judgment, based upon certain factors, including the investment objectives and investment portfolio of the Fund. When the purchase and sale of securities is considered to be in the best interest of more than one account, the securities to be purchased or sold may be aggregated in order to obtain superior execution and/or lower brokerage expenses. Execution prices for identical securities purchased or sold on behalf of multiple funds and accounts in any one business day may be averaged. In such instances, allocation of prices, as well as expenses incurred in the transaction, shall be made in a manner that Cambrian considers to be equally as favorable to each of the relevant Fund and/or other accounts.

Ernst H. von Metzsch, a founder and principal owner of Cambrian, served as a Director of Hess Corporation (NYSE-HES) from February 2003 through May 2013 and a member of the Advisory Boards of Kern Energy Partners from 2003 through October 2013 and a Member of the Advisory Board of Riverstone Holdings LLC from 2006 through October 2013. Mr. von Metzsch (as well as other investment professionals of Cambrian) may serve as a member of other boards of directors and advisory boards in the future, including boards of companies in which a Fund may have invested. In his capacity as a board member, Mr. von Metzsch may become subject to fiduciary, reporting or other duties that may adversely affect one or more of the Funds.

In connection with the service of Mr. von Metzsch, or other investment professionals of Cambrian, on advisory or other boards, such persons may be entitled to compensation for

identifying investment opportunities in private companies or in privately negotiated transactions. Any such investment opportunities that are appropriate for one or more of the Funds, and other accounts managed by Cambrian, if any, shall first be offered to the Funds and such other accounts before they are presented to any outside advisory boards or to any other person or entity; provided, however, that Cambrian shall retain the right, in its sole discretion, to accept or reject such opportunities on behalf of the Funds and such other accounts. Furthermore, in such cases either (i) Mr. von Metzsch (or the applicable investment professional) will cause any compensation he receives in connection with presenting investment opportunities to any outside advisory or other boards or to any other person or entity to be paid proportionately to the Funds and any other accounts advised by Cambrian, if any, or (ii) Cambrian will reduce the Management Fees paid to it by the Funds and such accounts accordingly.

Roland A. von Metzsch, a founder and principal owner of Cambrian, serves on the board of directors of the Offshore Feeder Fund. Mr. von Metzsch may have a conflict of interest (i) between his responsibilities to Cambrian and to the Offshore Feeder Fund on which he serves on the Board of Directors.

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

Code of Ethics

Cambrian has adopted a code of ethics (the “Code”), which includes policies and procedures governing personal trading activities of its employees. The Code is intended to help ensure that each employee of Cambrian conducts his or her affairs, including personal securities transactions, in such a manner as to avoid serving his or her own personal interests ahead of the interests of one or more Funds or any other accounts managed by Cambrian and to avoid conflicts of interest. The Code requires all employees to pre-clear transactions in most types of securities (excluding certain government bonds, certificates of deposit and other high quality short-term instruments, and shares of open-ended mutual funds), to report securities transactions on a quarterly basis, and to disclose all holdings on an annual basis. The Code also provides that employees are prohibited from personally trading in any security (exclusive of commodity ETFs) of publicly traded companies that are classified in the natural resources and energy sectors, including without limitation, companies engaged in the exploration, production, refining, marketing, transportation, and distribution of energy sources including oil, natural gas, coal and uranium, ferrous and non-ferrous metals, precious metals, paper and forest products, chemicals, agriculture, and water, as well as related service companies and equipment manufacturers, or any energy or natural resources sector specific ETFs that invest in publically traded companies. In addition, the portfolio managers and other investment professionals of Cambrian may serve as members of boards of directors and/or advisory or similar boards, including boards of companies in which the Funds are invested. See Item 10 for information regarding such positions that are currently held by certain Cambrian investment professionals. Such portfolio



managers and personnel may be entitled to compensation for such service. Furthermore, the Code imposes additional restrictions on employee participation in initial public offerings and private placements. Cambrian will provide a copy of our code of ethics to any client or prospective client upon request.

#### Investments in the Funds

Cambrian and its personnel and partners may invest in the Fund, and in securities or other assets in which the Funds may invest, subject to applicable law and the Code, and to the investor eligibility requirements applicable to each of the Funds.

#### General Partner Interests in the Master Fund

In addition, those of the Funds that are “Feeder Funds” each invest all or substantially all of their assets in the Master Fund. Each of the Feeder Funds pays Management Fees to Cambrian, but will not pay any Performance Allocations to Cambrian directly. Rather, all Performance Allocations are paid at the level of the Master Fund (and are applicable, at the Master Fund level, to all of the assets invested therein by each of the applicable Feeder Funds), in master-feeder structure. As described in Item 10, certain affiliates of Cambrian serve as General Partners to the Master Funds, and may receive Performance Allocations from the Master Fund, as described in Item 5.

#### Allocation of Investment Opportunities

Allocation of investment opportunities among the Funds and other accounts, if any, managed by Cambrian, will be made by Cambrian, in its judgment, based upon certain factors, including the investment objectives and investment portfolio of each of the Funds. When the purchase and sale of securities is considered to be in the best interest of more than one Fund and/or other account, the securities to be purchased or sold may be aggregated in order to obtain superior execution and/or lower brokerage expenses. Execution prices for identical securities purchased or sold on behalf of multiple Funds and accounts in any one business day may be averaged. In such instances, allocation of prices, as well as expenses incurred in the transaction, shall be made in a manner that Cambrian considers to be equally as favorable to each of the applicable Funds and accounts.

#### Cross Transactions

If permitted under applicable law, Cambrian may, on behalf of any Fund, for portfolio rebalancing, trade allocation or other reasons, purchase investments from, sell investments to or enter into agreements with other Funds managed by Cambrian (i.e., “cross transactions”). The terms of any such cross transactions will be commercially reasonable and will not be materially less favorable to a Fund than those available in the market. Cambrian will receive no special fees or other compensation in connection with cross transactions. Expenses incurred in a cross transaction will be allocated equitably in the sole discretion of Cambrian between the Funds that are parties to the cross transaction. Similarly, if a transaction is cancelled, any costs incurred will be allocated

equitably in the sole discretion of Cambrian between the Funds that are parties to the cross transaction.

**Item 12. Brokerage Practices**

Cambrian is responsible for selecting broker-dealers to execute trades for the Funds, and negotiating any commissions paid on such transactions. Cambrian's primary consideration in placing transactions with particular broker-dealers is to obtain execution in the most effective manner possible. Cambrian also takes into account a variety of other factors, including the financial strength, integrity and stability of the broker-dealer and the commissions to be paid. Cambrian may also consider the quality, comprehensiveness and frequency of available research and other products and services considered to be of value. The products and services furnished by broker-dealers may include, among other things, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; and statistics and pricing or appraisal services, discussion with research personnel, special execution capabilities, order of call and the availability of stocks to borrow for short trades.

A Fund may be deemed to be paying for certain research-related products and services that are provided to Cambrian, directly or through brokerage firms, with "soft" or commission dollars. These products and services would otherwise only be available to Cambrian for a cash payment. To the extent that Cambrian uses brokerage commissions (or markups or markdowns) to obtain research or other products or services that would otherwise be an expense of Cambrian, such use of commissions could be viewed as additional compensation to Cambrian, and Cambrian receives a benefit because we do not have to produce or pay for such research or other products or services. This may create a potential conflict of interest between Cambrian's fiduciary duty to operate the Funds in the best interest of the Funds and Cambrian's desire to receive or direct these "soft-dollar" benefits. As a result of receiving such products or services, Cambrian has an incentive to select and recommend, and to use and continue to use, such brokers and dealers to effect transactions for the Funds so long as such brokers and dealers continue to provide such soft dollar credits to Cambrian, rather than based on the Funds' interest in receiving most favorable execution of their securities transactions. As a result, Cambrian may cause the Funds to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers, or to accept lower prices for the sale of securities, in return for soft dollar benefits (known as paying-up), and Cambrian is authorized to do so if Cambrian determines that such commissions (or markups or markdowns) are reasonable in relation to the overall services provided. However, in selecting a broker for each specific Fund portfolio transaction, Cambrian will use its best judgment to choose the broker-dealers most capable of providing "best execution" on an overall basis.

It is anticipated that the use of commissions or "soft dollars" to pay for research-related products or services will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, amended. Under Section 28(e), research obtained with

soft dollars generated by a Fund may be used by Cambrian to service accounts other than such Fund. Where a product or service obtained with soft dollars provides both research- and non-research-related products or services to Cambrian, we will make a reasonable allocation of the cost which may be paid for with soft dollars. Cambrian's Chief Compliance Officer reviews the list of products and services paid for with soft dollars no less frequently than quarterly.

Cambrian generally uses soft dollar benefits to provide services to the Master Fund (and, indirectly, the Feeder Funds investing through the Master Fund). Cambrian does not currently make any allocation of soft dollar benefits to any particular Funds, because to date Cambrian has used its soft dollars benefits to make purchases that it considers to be of equal benefit to each of the Funds.

During Cambrian's last fiscal year, Cambrian used "soft dollars" generated by the Funds to pay for a number of research products and services generally related to the energy and natural resources sectors and related markets. This includes geopolitical issues and government initiatives, industry trends, and strategies, as well as broader market information and macro economic trends, including printed and online materials that are generally available for purchase or subscription. Such research products and services consisted of various proprietary reports and periodical publications, newsletters, valuation reports, and access to databases of news and research and similar hosted services, related to strategic analysis of the energy and natural resources sectors and markets. This includes issuers, industries, securities, economic factors, transactions, trends and related information, as well as fundamental and quantitative research and analysis, market data and other analytics and financial data. Certain providers of such services also make certain proprietary research tools available to their subscribers, including Cambrian, to facilitate research and analysis.

When Cambrian deems the purchase and sale of securities to be in the best interest of one or more Funds and other accounts, if any, managed by Cambrian, it may aggregate the securities to be purchased or sold, and generally Cambrian shall aggregate such trades, unless it believes that doing so would conflict or otherwise be inconsistent with its duty to seek best execution for the Funds, and/or the terms of the respective investment management agreements and other agreements and understandings relating to the Funds for which trades are being aggregated. When Cambrian believes that it can effectively obtain best execution for the Funds by aggregating trades, it will do so for all Funds for which the trades are both suitable and consistent with the respective investment management agreements, investment guidelines, and other agreements and understandings relating to such Funds, except to the extent that Cambrian otherwise would be prohibited or restricted from aggregating such trades under applicable law or by virtue of any agreement, instrument or other document to which Cambrian or any of its property is bound.

Cambrian does not consider any receipt of client referrals from a broker-dealer or third party when selecting or recommending broker-dealers. From time to time, however, representatives of Cambrian may speak at conferences and programs for investors interested in investing in hedge funds that are sponsored by prime brokers and other

brokers. These conferences and programs may provide opportunities by which Cambrian is introduced to potential investors in the Funds and other investment vehicles it manages. Generally, the prime brokers are not compensated by Cambrian, the Funds, or potential investors for providing such “capital introduction” opportunities. In addition, prime brokers and other brokers may provide financing and other services to the Funds and Cambrian. Consequently, such additional services by a prime broker or other broker may influence Cambrian in deciding whether to use the services of such prime broker or other broker in connection with the activities of the Funds. To the extent Cambrian receives such services, conflicts may exist between Cambrian’s interests and the interests of the relevant Fund(s), including that Cambrian may have an incentive to select a prime broker or broker based on Cambrian’s interest in receiving client referrals, rather than on a Fund’s interest in receiving most favorable execution. Cambrian believes that the rates of compensation paid to the prime brokers by the Funds are reasonable and competitive with rates charged by other prime brokers for services of comparable quality.

**Item 13. Review of Accounts**

The portfolio of each Fund is reviewed regularly by Cambrian’s Portfolio Managers for each Fund. Internally, positions and prices are checked regularly by Cambrian’s Operations staff. Trades are generally reviewed the next business day by the Chief Operating Officer and reconciled with internal systems and the Funds’ prime broker accounts by the Chief Financial Officer and the Controller. Trades are also sent to the Funds’ administrator daily for entry into their portfolio system and reconciliation with prime broker accounts. The Funds’ third party administrator reconciles security positions and cash with prime broker accounts regularly. Cambrian’s Chief Financial Officer and Controller review all reports prepared by the Funds’ administrator for completeness and accuracy between the Funds’ books and trading records as well as the prime broker accounts.

After the end of each fiscal year of the Funds, audited financial statements are prepared for each Fund, and each Feeder Fund will send to each of its investors such Feeder Fund’s audited financial statements. In addition, the Master Fund sends to the investors in the Feeder Funds a monthly statement of the Domestic Fund’s performance for that month- and year-to-date. Each Feeder Fund also sends out individual monthly capital statements to each of its underlying investors. Additionally, Cambrian may, from time to time in our discretion, provide additional reports and information to certain investors at our discretion, including (without limitation) with respect to valuations, profits, gains and losses, and such information may be provided more frequently than monthly.

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

No persons that are not investors in the Funds provide us with an economic benefit for providing investment advice or other advisory services to our Funds and investors in the

Funds. We do not, directly or indirectly, currently compensate any person (other than our supervised persons) for client referrals. However, the Funds and Cambrian may enter into agreements with one or more third parties providing for, among other things, (i) payments to such third parties of a fully disclosed sales charge, which may be paid from the investments of certain investors that agree thereto, or (ii) payments by Cambrian to one or more of such third parties of a one-time or ongoing fee based upon the capital contributions of certain investors.

**Item 15. Custody**

The Master Fund's prime brokers will generally maintain custody of the Master Fund's securities and cash, although in certain instances other brokers that execute transactions for the Master Fund will maintain custody of the Master Fund's assets. In addition, each Feeder Fund maintains an escrow account with a custodian that is used to process periodic cash flows related to subscription and redemptions or withdrawals of interests in such Feeder Fund. We do not use a qualified custodian to send quarterly account statements directly to the investors in the Funds. Each Fund that we manage will provide audited financial statements to its investors within 120 days following the end of its fiscal year.

**Item 16. Investment Discretion**

We have discretionary authority to manage the assets of each Fund pursuant to an investment management agreement applicable to such Fund and to which we are a party. These agreements include an explicit grant of discretionary authority to manage the applicable Fund's assets. There are no specific limitations placed on this authority, provided that we will exercise our discretionary authority in accordance with the investment objectives and strategy and applicable limitations, if any, set forth in applicable offering documents of each Fund.

**Item 17. Voting Client Securities**

Cambrian has adopted policies and procedures pursuant to SEC rule 206(4)-6 with respect to voting proxies on behalf of the Funds. Generally, Cambrian will vote securities in an issuer in accordance with the recommendation of the issuer's management. If Cambrian does not agree with management, Cambrian, in most instances, will re-evaluate its holding in the applicable security. Cambrian may abstain from voting a proxy (which generally requires submission of the proxy voting card) or decide not to vote a proxy if Cambrian determines that abstaining or not voting is in the best interests of its Funds.

Cambrian's proxy voting policies and procedures require that if a potential conflict of interest arises with respect to a proxy voting matter, Cambrian's Compliance Committee will review the relevant votes in advance to seek to ensure that Cambrian's proposed votes are consistent with the guidelines established by Cambrian's policies and procedures and are not prompted by any conflict of interest. Cambrian's proxy voting policies and procedures are intended to ensure that Cambrian votes proxies in the best interests of the Funds.

Any holder of an interest in a Fund may request a copy of Cambrian's proxy voting policy, as well as information regarding how Cambrian voted proxies on behalf of a particular Fund in which such holder is invested, by calling Gregory Anderson, or by submitting a written request to his attention c/o Cambrian Capital, L.P., 230 California Street, Suite 301, San Francisco, CA 94111.

**Item 18. Financial Information**

Cambrian believes that it has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients, and Cambrian has not been the subject of any bankruptcy proceeding.

**Item 19. Requirements for State-Registered Advisers**

This item is not applicable to us.