

JVL Advisors, LLC
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Part 2A of Form ADV: Firm Brochure
March 31, 2021

This brochure provides information about the qualifications and business practices of JVL Advisors, L.L.C. Information provided herein is provided in response to instructions and guidance issued in connection with Form ADV Part 2A. You should refer to those materials, including defined terms used therein, in reviewing this brochure. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, by phone at (713) 579-2617 or via electronic mail at info@jvladvisors.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 JVL is also available on the SEC's website at www.adviserinfo.sec.gov. Free and simple tools are available to you to review FCAM and its financial professionals at Investor.gov/CRS, which also provides free educational materials about broker-dealers, investment advisers, and investing.

JVL Advisers, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information with which you may determine to hire or retain advisory services.

ITEM 2 MATERIAL CHANGES

Since the last annual filing of Form ADV Part 2A in March of 2020, JVL Advisors, LLC (“JVL”) has had no material changes to report. If JVL makes any material changes to its Form ADV Part 2A in the future, we will revise this section to include a summary of such changes and reference the date of the changes.

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (713) 579-2629 or by email at info@jvladvisors.com. Additional information about JVL is available on the SEC’s website at www.adviserinfo.sec.gov and at Investor.gov/CRS.

We encourage you to read this document in its entirety.

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ITEM 4 ADVISORY BUSINESS

JVL Advisors, LLC began its operations in 2003 and provides discretionary investment advisory services to certain private investment partnerships (the “Funds”, “Clients” or “Partnerships”) together with each Partnership’s respective general partner (“Generally Partner” and collectively with JVL Advisors, LLC, “JVL”, “we”, “our” or “us”). The principal owner of JVL is John V. Lovoi, an individual residing in Houston, Texas.

The advisory services that we provide the Partnerships are limited to investments related to the oil and gas industry and securities used to hedge certain risks related to our oil and gas investments or manage Partnership cash balances. Under certain circumstances, we will accommodate certain investors by establishing and managing private investment partnerships for a single beneficial owner (“SO Fund”).

Our clients that are invested in pooled investment vehicles may not impose restrictions on investing in certain securities or types of securities. We also generally do not tailor our advisory services to the individual needs of our SO Funds, although we may agree to certain restrictions and or limits on types of securities held by these SO Fund clients such as private investments and certain derivatives.

As of March 31, 2021, JVL managed discretionary regulatory assets under management of \$53,559,000. We do not manage any client assets on a non-discretionary basis.

ITEM 5 FEES AND COMPENSATION

Each General Partner, in accordance with each Client’s governing documents, generally earns an annual management fee for its advisory services and receives an annual performance allocation. The maximum management fee charged by JVL is at an annual rate of 2% of each investor’s Partnership interest. The management fee is usually calculated monthly (at a rate of 1/12th of

the annual rate) and paid quarterly in advance of each investor's Partnership interest as of the first day of each quarter. To the extent that an investor is permitted to withdraw all or a portion of their investment prior to the end of a quarter, the investor's account will be credited back any remaining prepaid management fee not earned by JVL. In addition to the management fee, each General Partner generally receives an annual performance allocation (although the period may be shorter than a year if an investor withdrew all or a portion of their interest in a Partnership or in the event of the termination of a Partnership) in an amount ranging from 20% to 25% of the increase in each investor's Partnership interest due to investment performance, which includes unrealized gains for marketable securities and subject to any loss carryforward (taking into account the payment of the quarterly management fee described above).

JVL, in its sole discretion, may enter into agreements ("Side Letters") with certain large or strategic investors including investors in the SO Funds where JVL may waive or reduce management and performance fees and/or otherwise grant more favorable terms which are not extended to other investors in Partnerships managed by JVL.

All Partnerships incur expenses in connection with custodial or brokerage services as discussed in Item 12. In addition, subject to limitations in a specific Client's governing documents, Clients bear their respective share of certain permissible JVL charges and operating costs and expenses relating to their organization and operations, which may include, but is not limited to: technology expenses, research expenses including those incurred in identifying, assessing, acquiring, negotiating, structuring, and disposing of investment opportunities, including any financing, legal, accounting, management and consulting fees which will be incurred whether or not a client actually invests in the specific investment opportunity; administrative and reporting expenses associated with an annual audit, financial and tax returns and tax reporting to a Client's investors; governmental, regulatory, licensing or registration fees and other investment costs; interest and fees associated with any permitted borrowings; costs of any litigation, D&O insurance and other types of insurance, indemnification or extraordinary expense or liability; meetings of Client

investors; fees and disbursements to attorneys, consultants, accountants, fund administrators, service providers and any other professionals relating to Client matters.

As more fully described in Item 10, Other Financial Industry Activities and Affiliations, JVL has and may continue to allocate a portion of client assets to investments in certain private limited oil and gas partnerships that an affiliate of JVL manages. However, the JVL affiliate waives its management and performance related fees so that Clients do not bear the additional management and performance related fees charged by the JVL affiliate. We do not charge our clients a commission-based fee on trades or sales of securities.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As discussed in Item 5, Fees and Compensation, each General Partner can receive an annual performance allocation. The performance allocation may create an incentive for us to make investments that are riskier or more speculative than would be the case in the absence of such a performance allocation. Also, the fact that certain Clients pay higher performance fees may create an incentive for us to allocate more favorable investment opportunities to those Clients. To address these conflicts of interest, JVL has adopted written compliance policies and procedures that requires Client investments be made in accordance with each Clients' investment objectives and investment opportunities be allocated between Clients according to JVL's investment allocation policy so that investment opportunities are allocated among Clients in a fair and equitable manner, although such investment opportunities may not always be allocated pro-rata across all Clients.

ITEM 7 TYPES OF CLIENTS

Our clients are private investment partnerships that primarily invest in securities tied to the oil and gas industry. For further detail on our clients, please refer to Item 4.

We generally require investors in the Partnerships we advise to invest a minimum initial subscription of \$1,000,000 although investments for a lesser amount may be accepted at our discretion.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Strategy

Our investment strategy is concentrated in the oil and gas sector, is long-biased, and is mostly focused on small and mid-capitalized public securities and certain private oil and gas investments. We focus on fundamental research, stock selection and investments in proprietary private opportunities. We use little, if any, leverage and will carry significant excess cash when we believe it is in the best interest of our clients. We invest in opportunities where we believe we can recognize future gains as the valuation of our investments increase.

Methods of Analysis

A significant amount of our work is estimating of the current and future value of our existing and potential oil and gas investments. We utilize a variety of methodologies to estimate value including, without limitation, estimating the dollar value per barrel of oil and natural gas reserves and dollar value per barrel of oil and natural gas produced per day. Generally, a discounted cash flow method is used to value our estimate of future cash flows, using a discount factor that we believe is reasonable based on market conditions and comparable transactions at the time of the valuation.

Investment Risks

INVESTING IN SECURITIES INVOLVES RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR.

Investors and prospective investors should consider the following risk factors and other important factors when investing in our Partnerships:

Uncertainty of Predictions. The profitability of a significant portion of each Partnership's investment program depends to a great extent upon our ability to correctly assessing the future course of the price movements of oil and natural gas and certain related securities. There can be no assurance that we will be able to predict accurately these price movements. Past performance of each Partnership is not indicative of future performance.

Illiquid Investments/Distributions in Kind. Certain Partnerships will invest in illiquid private securities such as interests in private oil and gas limited partnerships where there is not a recognized market. As such, an opportunity to sell these private investments at a gain may not occur or may take several years. For example, in the case of an interest in private oil and gas limited partnerships, an opportunity to sell the investment may not occur until such time as the underlying oil and gas properties are developed, which may take several years from the date of the initial investment. As a result of these illiquid investments being held in certain Partnerships, investors redeeming their interests as of the end of any calendar quarter may receive distributions in kind of securities in lieu of or in addition to cash. In the event we make distributions in kind, such securities or interests may be illiquid or subject to legal, contractual and other restrictions on transfer that will be binding on the investor.

Reliance On & Non-Exclusive Service of Key Personnel. The success of JVL Clients depends upon the skill and expertise of key personnel of JVL to successfully manage portfolio investments. The loss of their services could have material adverse effects on JVL and its Clients. In addition, key personnel are not obligated to devote any specific amount of time to the affairs of the Clients and may serve as investment advisers or investment managers to other Client accounts and conduct investment activities for their own accounts. Such other entities or accounts may have investment objectives and strategies similar to those of the Clients. In addition, key personnel may provide advice to other entities or accounts that differs from the advice given with respect

to a Client. (See the dual fiduciary duty risk discussed in the risk *Control Positions, Participation on Committees and Boards of Directors and Active Day-to-Day Involvement in Certain Portfolio Companies*).

Interests in JVL Advised Partnerships are Illiquid. An investment in a Client account is an illiquid investment due to restrictions on withdrawals and transfers of partnership interests. Investors are urged to read the Partnership Agreement governing the Partnership(s) in which they may invest in their entirety prior to subscribing for interests and becoming subject to the Partnership Agreement as a limited partner. Each Partnership Agreement will govern the rights of investors as limited partners in the applicable Partnership.

Certain Market Risks. Substantial risks exist when trading in securities, options, and in making the other investments permitted by each Partnership. Trading may in some circumstances be speculative, prices may be volatile, and market movements are difficult to predict. In addition, government activities, especially those of the Federal Reserve Board, have a profound effect on interest rates, which, in turn, can affect securities and other asset prices in the area of each Partnership's planned activities. Politics, inflation, war and other unforeseen events can also have significant effects. Each Partnership will have a "non-diversified" portfolio, as such term is defined under the Investment Company Act of 1940, as amended. Each Partnership is expected to be concentrated in a limited number of positions and this lack of investment diversification increases the risk of loss.

Government Regulation and Proprietary Rights of Energy Companies. The operation of energy companies and oil service companies are generally subject to extensive regulation by federal, state and local governmental agencies. Companies in which each Client invests may need to obtain licenses and approvals from government regulators to operate or sell their products or technologies. Licenses granted may be revoked and applications for new licenses are subject to delays for substantial periods of time. Government regulation can include rate regulation as well as limiting available services and products, ownership, and geographic territories served. Such

regulation can result in limited returns, increased costs, and decreased economic incentive to develop new products. Government regulation may be unpredictable and is subject to political, economic, social and market developments. There can be no assurance as to the level or effect on companies in the energy and oil and gas sector of government regulation in the future.

Environmental laws, regulations and regulatory initiatives play a significant role in the energy industry and can have a substantial impact on investments in this industry. The energy industry will likely continue to face considerable oversight from environmental regulatory authorities and the costs associated with environmental compliance can significantly reduce investment returns. Failure to comply with environmental requirements could have a material adverse effect on an investment and there can be no assurance that an underlying investment will at all times comply with all applicable environmental laws, regulations and permit requirements.

Energy Exposure. A significant portion of each Client's capital will be invested in equities and other interests of energy companies. As a result, each Client will have significant exposure to the risks associated with energy commodity prices which can be impacted by a number of various factors including worldwide and domestic supplies of oil and natural gas, political instability or armed conflict in oil and natural gas producing regions, worldwide economic conditions, the price of foreign imports, the level of consumer demand, and the price, availability and acceptance of alternative fuels. As a result, such commodity interest prices are highly volatile and the value of energy related investments is usually highly correlated to the current market price of oil and natural gas. No assurance can be given that our investment strategy will result in profitable trades or that Clients will not incur substantial losses.

Long Bias. JVL predominantly employs a long bias investment strategy and although the Partnerships, may at times, have short positions, portfolios will generally not be significantly hedged against adverse market or specific security price declines. As such, in broad, cyclical down markets or specifically when oil related commodity prices or other energy related securities decline, the Partnerships may suffer significant negative returns. Although JVL may believe that

oil prices and other energy related securities prices will increase, there can be no assurance of such and oil related commodity and other energy related securities prices could remain low for many years.

Short Sales. Each Partnership will at times hold short positions. A Partnership may incur a loss as a result of a short sale if the price of the asset increases between the date of the short sale and the date on which the Partnership replaces the borrowed security. Possible losses from short sales differ from losses that could be incurred from a purchase of an asset, because losses from short sales involve unlimited loss potential since the market price of securities sold short may continually increase. A Partnership may mitigate such losses by replacing the securities sold short before the market price has increased significantly. However, under adverse market conditions, a Partnership might have difficulty purchasing securities to meet its short sale delivery obligations and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

Foreign Securities. Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of each Partnership are maintained) and the various foreign currencies in which certain Partnership's portfolio securities may be denominated and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) potential uncertainty of tax laws and imposition of withholding taxes; and (v) the extension of credit, especially in the case of sovereign debt.

Use of Leverage. Subject to applicable margin and other limitations, each Partnership may borrow funds in order to make additional investments and thereby increase both the possibility

of gain and risk of loss. Consequently, the effect of fluctuations in the market value of each Partnership's portfolio would be amplified. Interest on borrowings will be a portfolio expense of each Partnership and will affect the operating results of each Partnership. Also, each Partnership could potentially create leverage via the use of instruments such as options and other derivative instruments.

Options Investing. Investing in options can provide a 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 which may, upon exercise of the option, be significantly different from the market value.

Natural Disasters, Epidemics, Pandemics and Terrorist Attacks. Areas in which JVL has offices or where it otherwise does business are susceptible to natural disasters (e.g., fire, flood, earthquake, storm and hurricane) and epidemics, pandemics or other outbreaks of serious contagious diseases (e.g., MERS, COVID-19, etc). The occurrence of a natural disaster, epidemic or pandemic could adversely affect and severely disrupt the business operations, economies and financial markets of many countries (even beyond the site of the natural disaster or epidemic) and could adversely affect JVL's investment program and its ability to do business. In addition, terrorist attacks, or the fear of or the precautions taken in anticipation of such attacks, could, directly or indirectly, materially and adversely affect certain industries in which JVL invests or could affect the areas in which JVL has offices or where its otherwise does business. Other acts of war (e.g., war, invasion, acts of foreign enemies, hostilities and insurrection, regardless of

whether war is declared) could also have a material adverse impact on the financial condition of industries or countries in which JVL invests.

Control Positions, Participation on Committees and Boards of Directors and Active Day-to-Day Involvement in Certain Portfolio Companies. Certain employees of JVL and its affiliates are in a position to control or exercise significant influence over the management and strategic direction in certain companies in which JVL invests.

In the case of certain portfolio companies involved in oil and gas exploration and development, certain employees have personal interests in and are actively involved in the day-to-day operations of these portfolio companies. The exercise of control over a portfolio company imposes additional risks on JVL Clients, including liability for environmental damage, product defects, failure to supervise management, labor disputes and other types of liability associated with a portfolio company's operations and other claims by security holders and creditors of the portfolio companies. There is also the risk that JVL clients will be restricted from transacting in or redeeming its investment in the portfolio company as a result of, among other things, legal restrictions on transactions by company directors, large shareholders or affiliates.

There also exists a potential conflict of interest associated with having dual fiduciary responsibilities to both JVL Clients and the portfolio company. For example, an investment opportunity suitable for JVL's Clients may also be suitable for the portfolio company directly. In such cases, a conflict of interest would exist. JVL has compliance policies and procedures in place that require JVL to monitor conflicts of interest and require JVL and its employees to normally act in the best interest of its Clients. To the extent the existence of dual fiduciary duties creates a conflict of interest between the employee's duties to JVL and the portfolio companies, the employees are obligated to adhere to JVL policies and procedures, which requires the employees to do their utmost to fulfill their fiduciary duty to JVL Clients. For example, any investment opportunity would be required to be presented to and considered by JVL for potential investment by Clients before it would be passed on to a portfolio company.

Another potential conflict of interest exists where such portfolio companies are privately held, and the Clients' investments are therefore illiquid. JVL and its affiliates, including their employees, are involved in determining the valuation of these investments, which can be complicated and often dependent upon numerous variables, many of which are estimated. Thus, a conflict of interest is created since part of JVL's compensation is determined based on the valuation of these investments and JVL has an incentive to increase the value of these investments, although JVL normally does not recognize a performance-based allocation on these private investments until gains are realized. To address this conflict, JVL has adopted valuation procedures designed to determine the fair value of these investments. All Clients are also subject to annual audits. In addition, in certain cases, there are additional fees being paid to affiliates of JVL attributable to certain of these investments.

JVL has adopted a general policy that employees who serve as directors or as members of committees of portfolio companies will not receive any form of compensation for these services. In certain circumstances, fees that would normally be paid to directors will instead be paid, pro-rata, to the respective Clients for which the directors are affiliated.

ITEM 9 DISCIPLINARY INFORMATION

This disclosure item is not applicable to our firm or any management person associated with our firm.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

John V. Lovoi is also a managing member of Peninsula-JVL Capital Advisors, LLC, which is the general partner of, and investment adviser to, its sole client, Belridge Energy Advisors, LP ("Belridge"). Belridge is a private investment partnership that also invests primarily in securities in the oil and gas sector, which are similar, and sometimes identical, to the securities that JVL's

clients invest in. Belridge is currently not making new investments and it distributes proceeds of investments as it disposes of them.

As discussed in Item 8, Methods of Analysis, Investment Strategies and Risk of Loss, there are certain risks associated with JVL employees serving as directors and officers of and in certain instances being involved in the day-to-day operations of specific portfolio companies involved in oil and gas exploration and development. Please refer to Item 8 for a detailed discussion of these affiliations.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

JVL and its relying advisers have adopted a code of ethics (the “Code”) that establishes a standard of business conduct that must be followed by members, officers, and employees of JVL (collectively “Supervised Persons”). The Code incorporates the following general principles, which all Supervised Persons are expected to uphold: act in the best interests of clients; conduct personal securities transactions in a manner consistent with the Code, which seeks to address certain conflicts of interest in this regard; avoid taking any inappropriate advantage of one’s position at JVL; and maintain confidentiality of information concerning JVL’s investment recommendations, portfolio holdings and transactions.

JVL believes that these general principles not only help JVL fulfill its obligations as an investment adviser, but also protect JVL's reputation and instill in employees JVL's commitment to honesty, integrity, and professionalism.

The Code also provides guidelines for Supervised Persons regarding adherence to securities laws generally, transactions in personal accounts involving public and private securities and commodities. For example, the Code requires that all Supervised Persons report all transactions in their personal accounts. In addition, the Code requires that all Supervised Persons report Code

violations. JVL's Chief Compliance Officer is responsible for various aspects of the Code's administration, including without limitation the monitoring and review of personal securities and commodities transactions of Supervised Persons, and is available for any questions Supervised Persons have regarding the Code. JVL will provide a copy of the Code to any client or prospective client upon request by contacting the Chief Compliance Officer, by phone at (713) 579-2617 or via electronic mail at info@jvladvisors.com

JVL permits its Supervised Persons to trade for their own accounts, which may include investing personally in private investments, some of which may be sponsored by affiliates of JVL, at terms preferential to JVL's clients, including waived fees. In addition, Supervised Persons may personally invest in certain investments and securities previously purchased by clients and may own securities that are subsequently purchased by clients. These persons or entities may also buy or sell specific investments and securities for their own accounts based on personal investment considerations, which JVL may or may not deem appropriate for Clients.

JVL has no obligation, other than fulfilling its fiduciary duty to manage Client accounts in accordance with their investment mandates, to recommend for purchase or sale by clients any investments that JVL, its Supervised Persons or affiliates may purchase for themselves or for any other client.

The Supervised Persons of JVL and the General Partners, as well as the personnel of other affiliates, are not permitted to engage in trades directly with clients except in certain instances where JVL Supervised Persons are deemed principals, based on SEC staff guidance, due to the fact that JVL's related persons own greater than 25% of the JVL or affiliate client's assets. To the extent that JVL and/or its related persons engage (or are deemed to engage) in principal securities transactions, any such transactions will comply with applicable laws.

To the extent permitted by applicable law and the applicable governing documents, JVL may effect "cross transactions" between Client accounts. JVL would only recommend Clients enter

into such transactions if the transactions were consistent with the best interests of the Clients involved and at prices that JVL and/or its related persons believe constitutes a fair valuation for the Clients involved.

When we engage in a transaction or security trade for more than one Client, we strive to be equitable to all Clients. In such cases, we will generally aggregate orders for all Client accounts simultaneously and allocate executed trades to Client accounts at the same average price. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, we will allocate the trade among the different accounts on a basis that we consider equitable. Differences in investment holdings and returns may occur between Clients for various reasons including regulatory requirements or contractual restrictions that may limit JVL's ability to effect and/or recommend transactions for certain Clients and due to timing differences in the establishment of Client accounts or contribution activity.

Although JVL, its employees and its affiliates expect to devote a certain amount of time and effort to the business and affairs of each Client, it may also devote a substantial amount of time and effort to other business interests.

A number of the activities discussed in this section present potential conflict of interest where JVL and its Supervised Persons may have incentives to put their interests ahead of JVL Clients. These activities may include for example, allocating investment opportunities between Client accounts, sponsoring other investment vehicles (including those with investment objectives similar to or overlapping with those of current Clients), making investments for their own accounts, or engaging in other lines of business. JVL believes it has adequate policies and procedures in place to monitor these conflicts of interest and ensure that JVL and its Supervised Persons adhere to the Code and the Securities Laws.

ITEM 12 BROKERAGE PRACTICES

We select brokers for our direct securities transactions based on a number of factors, including the following: quality of the broker's execution capabilities; financial stability and reputation of the broker; the broker's "commission" rates or spread; the broker's inventory and availability of the security in question; the size and type of the transaction; ability to maintain confidentiality; the operational facilities of the brokers and/or dealers involved (including back office efficiency); the ability to handle a block order for securities and distribution capabilities; and research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis), custodial and other services provided by such brokers and/or dealers that are expected to enhance the Adviser's general portfolio management capabilities.

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use Commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. While the Adviser does not use soft dollars to pay for direct, out-of-pocket expenses such as Bloomberg and the Adviser's own fundamental research is the primary driver of its investments methodology described in Item 8, the Adviser, on a limited basis, will review research provided by certain of its executing brokers. Such broker-supplied research could be deemed a benefit received by the Adviser in exchange for paying commissions to the executing broker, which would be considered "soft dollars". The adviser does not have any broker-dealer pay for any third-party expenses. During the last fiscal year, the Adviser did not use any soft dollar benefits.

The Adviser may engage in cross transactions between Client accounts if JVL believes doing so is in the best interest of the Clients. JVL or its affiliates never earn a commission or any other form of compensation as a result of engaging in a cross trade. In addition, cross trades are generally done for rebalancing purposes.

The firm may aggregate Client sale and purchase orders with similar orders being made contemporaneously for other accounts. In such event, the average price of all securities purchased or sold in such transactions may be determined and a client may be charged or credited, as the case may be, the average transaction price. As a result, the price may be less favorable to the client than it would be if similar transactions were not being executed concurrently for other accounts.

Conflicts regarding the allocation of trade opportunities are addressed on an investment-by-investment basis, and, in most instances, the conflict is resolved via JVL's trade allocation policy which considers each Client's particular investment objectives, among other factors. In general, when JVL determines that it would be appropriate for more than one Client to participate in an investment opportunity, JVL seeks to allocate such investments pro rata based on each Client's respective asset levels; provided however, that investments may be allocated in a different manner based upon the following considerations:

- Investment objectives or strategies of a Client
- Tax considerations applicable to a Client
- Timing of capital contributions and withdrawals
- Available capital
- Tolerance for volatility/risk
- Liquidity needs of the Client
- Characteristics of the security (including type of security and restricted access)
- Other relevant factors

Also, when a Client is in its initial investment or "ramp-up" phase or it has received a capital infusion or withdrawal request (including Client accounts with substantial investments by JVL or its affiliates), preference may be given to that Client so that it reaches its desired position level quickly. JVL strives to provide all Clients with meaningful investment allocations over time, although each and every Client will not receive an allocation of each and every profitable investment.

While JVL's goal is to execute trades seamlessly in the best interests of its Clients, trade errors can occur for a variety of reasons, and the required corrective measures may differ depending upon the nature of the trade error. When a trade error is made, JVL will use its best efforts to break or otherwise correct the trade as soon as practicable after discovery to ensure that Clients do not incur a loss.

It is JVL's policy that a trade error that results in a gain to a Client will remain in the Client's account. Trade errors that are due to a good faith mistake by a member or employee of JVL, and result in a loss to a Client, will be assessed to the Client's account. Trade errors that are due to gross negligence or willful misconduct by a member or employee of JVL and result in a loss to a Client will be indemnified by JVL.

Sometimes, following an investment by a Client, JVL has the opportunity to make an additional or follow-on investment in the same entity or a related entity. Occasionally, rather than allocate these additional or follow-on investment opportunities to the Client(s) that made the original investment, JVL may allocate the opportunity among other Clients (including Clients that may be wholly or principally owned by JVL) and one or more strategic investors, other investors or unaffiliated third parties. Typically, JVL makes these allocations in circumstances where the additional investment opportunity or follow-on investment could not, because of the reasons previously enumerated (i.e., available capital, risk limits, etc.), be allocated in the same manner as the original investment. Additional investment opportunities and follow-on investments may be more or less profitable than the original investment to which they relate.

From time to time, a Client account may make firm commitments to provide capital for investments at a certain date in the future. At the time any such investment requires funding, we may allocate the investment opportunity among such Client, other Clients eligible to participate in the investment, one or more strategic investors, other investors or unaffiliated third parties. Accordingly, Clients may be disadvantaged if we allocate profitable opportunities away from

them or if we allocate unprofitable opportunities to them. JVL has adopted written compliance policies and procedures, described above, that seeks to allocate such investments pro rata based on each Client's respective asset levels; provided however, that investments may be allocated in a different manner based upon the considerations described.

ITEM 13 REVIEW OF ACCOUNTS

Each account is typically reviewed on a daily basis. Mr. Lovoi, the portfolio manager for each account, reviews each account in a manner consistent with the investment goals of each account and the compliance policies set forth in our Compliance Manual.

Performance data and account balances are supplied at least quarterly to Clients. Audited financial statements are provided to Clients annually.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

Please refer to the disclosures in Items 11 and 12 above.

While we have been party to solicitation agreements in the past, there are no existing agreements and we are not paying any third party for client referrals. We do not accept any direct or indirect compensation for client referrals.

ITEM 15 CUSTODY

We have established a third-party custody arrangement on behalf of each Partnership with BNP Paribas, a qualified custodian, which holds each Client's funds and securities. We have certain authority to direct the transfer or withdrawal of such funds and securities held by the BNP Paribas for the Partnerships. Each Partnership receives monthly account statements from the custodian. JVL satisfies its custody obligations under the Investment Advisers Act of 1940 by ensuring that

all Partnerships are audited as required by the applicable rule and that investors in the Partnerships receive the financial statements resulting from such audits.

ITEM 16 INVESTMENT DISCRETION

Each Client grants JVL and its affiliates the discretionary authority to manage their account through a Limited Partnership Agreement.

ITEM 17 VOTING CLIENT SECURITIES

JVL has proxy voting policies and procedures which we believe are reasonably designed to ensure that proxies are voted in the best interest of its clients and in accordance with our fiduciary duties. JVL's policies and procedures include the following:

- Keep a record of each proxy received.
- All proxies received by JVL will be sent to the Chief Compliance Officer or his designee.
- Determine which accounts managed by JVL hold the security to which the proxy relates.
- Forward the proxy to the person who makes the voting decision ("proxy voter").
- Provide the proxy voter with the date by which JVL must vote the proxy in order to allow enough time for the completed proxy to be returned to the issuer prior to the vote taking place.
- Absent material conflicts of interest, the proxy voter will either (i) vote proxies in accordance with the instructions of the client or (ii) in the absence of specific instructions from the client, vote the proxy in accordance with JVL's guidelines.
- Where JVL may have, or is perceived to have, a conflict of interest when voting proxies and to the extent possible, control or mitigate the conflict of interest when voting the proxy.

In the absence of specific voting guidelines or instructions from the client, JVL will vote proxies in the best interests of the client, which may result in different voting results for proxies for the

same issuer. JVL believes that voting proxies in accordance with the following guidelines generally is in the best interests of its clients:

- Generally, JVL votes in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock.
- Generally, JVL will vote against proposals that make it more difficult to replace members of the issuer's board of directors, including proposals to stagger the board, cause management to be overrepresented on the board, introduce cumulative voting, introduce unequal voting rights, and create supermajority voting.

Clients or investors may obtain information from us regarding how JVL voted client proxies and may also request a copy of our proxy voting policies and procedures by contacting our Chief Compliance Officer, by phone at (713) 579-2617 or via electronic mail at info@jvladvisors.com.

ITEM 18 FINANCIAL INFORMATION

A registered investment adviser is required to provide clients with certain financial information or disclosures about its financial condition. JVL has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.