

Item 1 – Cover Page

Walnut Private Equity Partners, LLC

111 S. 108th Ave.
Omaha, NE 6815 4
402-991-2201

Date of Disclosure Brochure:
March 2021

This disclosure brochure provides information about the qualifications and business practices of Walnut Private Equity Partners, LLC (also referred to as I, me and Walnut Private Equity Partners throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Steven Seline at 402-991-2201 or sseline@walnutprep.com. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Walnut Private Equity Partners is also available on the Internet at www.adviserinfo.sec.gov. You can view my firm's information on this website by searching for Walnut Private Equity Partners, LLC or my firm's CRD number 168840.

*Registration as an investment adviser does not imply a certain level of skill or training.

**Although Walnut Private Equity Partners is referred to as I or me throughout this brochure for your convenience, please understand that any engagement described under this brochure will be made with the legal entity of Walnut Private Equity Partners, LLC.

Item 2 – Material Changes

The material changes made to this disclosure brochure as part of the annual update filing included the following:

- Item 4 – Advisory Business, we have indicated the amount of assets under management by our firm as of the fiscal year-end December 31, 2020
- New office address: 111 S. 108th Ave. Omaha, NE 68154

I will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after my firm's fiscal year ends. My firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, I will also offer or provide a copy of the most current disclosure brochure. I may also provide other ongoing disclosure information about material changes as necessary.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 – Table of Contents	3
Item 4 – Advisory Business	4
Introduction	4
Description of Advisory Services	4
Specialization	5
Limits Advice to Certain Types of Investments	5
Tailor Advisory Services to Individual Needs of Clients	5
Client Assets Managed by Walnut Private Equity Partners	6
Item 5 – Fees and Compensation	6
Asset Management Services	6
Consulting Services	7
Item 6 – Performance-Based Fees and Side-By-Side Management	8
Item 7 – Types of Clients	8
Minimum Investment Amounts Required	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	9
Methods of Analysis	9
Investment Strategies	9
Risk of Loss	10
Item 9 – Disciplinary Information	11
Item 10 – Other Financial Industry Activities and Affiliations	11
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading	11
Code of Ethics Summary	11
Affiliate and Employee Personal Securities Transactions Disclosure	12
Item 12 – Brokerage Practices	12
Directed Brokerage	13
Handling Trade Errors	13
Block Trading Policy	14
Agency Cross Transactions	14
Item 13 – Review of Accounts	14
Account Reviews and Reviewers	14
Statements and Reports	14
Item 14 – Client Referrals and Other Compensation	15
Item 15 – Custody	15
Item 16 – Investment Discretion	15
Item 17 – Voting Client Securities	16
Item 18 – Financial Information	16

Item 4 – Advisory Business

Walnut Private Equity Partners is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company (LLC) formed under the laws of the State of Nebraska.

- Steven Seline is the Chief Compliance Officer (CCO) and Managing Member of Walnut Private Equity Partners. Steven Seline owns 60.00% of Walnut Private Equity Partners.
- Walnut Private Equity Partners filed its initial application to become registered as an investment adviser in August 2013.

Introduction

The investment advisory services of Walnut Private Equity Partners are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of Walnut Private Equity Partners (referred to as your investment adviser representative throughout this brochure).

Description of Advisory Services

The following are descriptions of the primary advisory services of Walnut Private Equity Partners. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and Walnut Private Equity Partners before I can provide you the services described below.

Asset Management Services – Walnut Private Equity Partners offers asset management services, which involves Walnut Private Equity Partners providing you with continuous and ongoing supervision over your specified accounts.

You must appoint my firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by me based on your financial situation, investment objectives and risk tolerance. I actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

I will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying me of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, I will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. I am always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct me not to purchase certain securities.

It is important that you understand that I manage investments for other clients and may give them advice or take actions for them or for my personal accounts that is different from the advice I provide to you or Walnut Private Equity Partners, LLC

actions taken for you. I am not obligated to buy, sell or recommend to you any security or other investment that I may buy, sell or recommend for any other clients or for my own accounts.

Conflicts can arise in the allocation of investment opportunities among accounts that I manage. I strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by my firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to my attention will be allocated in any particular manner. If I obtain material, non-public information about a security or its issuer that I may not lawfully use or disclose, I have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Consulting Services - I offer consultations in order to discuss financial planning issues when you do not need a written financial plan. I offer a one-time consultation, which covers mutually agreed upon areas of concern related to investments or financial planning. I also offer "as-needed" consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an "as-needed" consultation, it will be incumbent upon you to identify those particular issues for which you are seeking my advice or consultation on.

My consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement my consulting recommendations. To the extent that you would like to implement any of my investment recommendations through Walnut Private Equity Partners or retain Walnut Private Equity Partners to actively monitor and manage your investments, you must execute a separate written agreement with Walnut Private Equity Partners for our asset management services.

Specialization

Walnut Private Equity Partners specializes in providing investment advice related to Master Limited Partnerships.

Limits Advice to Certain Types of Investments

Walnut Private Equity Partners provides investment advice on the following types of investments:

- Exchange-Listed Master Limited Partnerships

Although I generally provide advice only on the products previously listed, I reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives. When providing asset management services, Walnut Private Equity Partners typically constructs each client's account holdings only using Master Limited Partnerships.

(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)

Tailor Advisory Services to Individual Needs of Clients

Walnut Private Equity Partners' advisory services are always provided based on your individual needs. This means, for example, that when I provide asset management services, you are given the ability to

impose restrictions on the accounts I manage for you, including specific investment selections and sectors. I work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information. My consulting services are always provided based on your individual needs. When providing consulting services, I work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

I will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with my investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

Client Assets Managed by Walnut Private Equity Partners

As of December 31, 2020, Walnut Private Equity Partners has \$136,047,227 in assets under management, which is all managed on a discretionary basis.

Item 5 – Fees and Compensation

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding my firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and Walnut Private Equity Partners.

Asset Management Services

If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period.

The asset management services continue until terminated by either party (i.e., Walnut Private Equity Partners or you) by giving thirty (30) days written notice to the other party. When fees are billed in arrears, Walnut Private Equity Partners will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment.

Fees charged for my asset management services are negotiable based on the total amount of assets under management for the client.

There is a minimum account size of \$1,000,000. Walnut Private Equity Partners has a minimum annual fee of \$7,000.

Walnut Private Equity Partners believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, my annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to my compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

You will pay my firm upon receipt of a billing notice sent directly to you. The billing notice will detail the formula used to calculate the fee, the assets under management and the time period covered. Fees for my services will be due immediately upon receipt of the billing notice.

Brokerage commissions and/or transaction ticket fees charged by the qualified custodian are billed directly to you by the qualified custodian. Walnut Private Equity Partners does not receive any portion of such commissions or fees from you or the qualified custodian. In addition, you can incur certain charges imposed by third parties other than Walnut Private Equity Partners in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by Walnut Private Equity Partners are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

Consulting Services

Fees charged for my consulting services are negotiable based upon the amount of time involved and the level of expertise required. The following are the fee arrangements available for consulting services offered by Walnut Private Equity Partners.

Fees for Consulting Services

Walnut Private Equity Partners provides consulting services under an hourly fee arrangement. An hourly fee of \$250 per hour is charged by Walnut Private Equity Partners for consulting services. When consulting services are provided on an hourly basis, the total amount of fees will vary depending upon the circumstances. As a result, there is a wide range in the amount of the fees that you incur. The minimum fee to complete the consulting services will be \$250, and the maximum fee to complete the consulting services will be generally no more than \$40,000. The standard billing dates and events of Walnut Private Equity Partners are the following: (1) the 15th calendar day of each month; (2) the date or thereafter that Walnut Private Equity Partners substantially provides the services; and (3) the date the engagement is terminated by either Client or Walnut Private Equity Partners. Upon presentment of the invoice to Client, Walnut Private Equity Partners will deduct the hourly fees due Walnut Private Equity Partners against Client's current retainer balance and Client will immediately pay Walnut Private Equity Partners any outstanding balance of hourly fees due. Client agrees to notify Walnut Private Equity Partners within ten (10) days of receipt of an invoice if Client disputes any billing entry.

Walnut Private Equity Partners also provides consulting services under a fixed fee arrangement. A mutually agreed upon fixed fee is charged for consulting services under this arrangement. There is a range in the amount of the fixed fee charged by Walnut Private Equity Partners for consulting services. The minimum fixed fee for consulting services will be \$2,500, and maximum fixed fee for consulting services will be generally no more than \$40,000. The amount of the fixed fee for your engagement is specified in your consulting agreement with Walnut Private Equity Partners. The fixed fee will be considered earned by Walnut Private Equity Partners and immediately due from Client upon completion of the consulting services.

The one-time consulting services will terminate upon completion of the consultation or either party providing the other party with written notice. The "as-needed" consulting services will terminate upon either you or Walnut Private Equity Partners providing notice of termination to the other party.

If you terminate the consulting services after entering into an agreement with Walnut Private Equity Partners, you will be responsible for immediate payment of any consulting work performed by Walnut Private Equity Partners prior to the receipt by Walnut Private Equity Partners of your notice of termination. For consulting services performed by Walnut Private Equity Partners under an hourly arrangement, you will pay Walnut Private Equity Partners for any hourly fees incurred at the rates described above. For consulting services performed by Walnut Private Equity Partners under a fixed fee arrangement, you will pay Walnut Private Equity Partners a pro-rated fixed fee equivalent to the percentage of work completed by Walnut Private Equity Partners as determined by Walnut Private Equity Partners. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by Walnut Private Equity Partners to you.

Other Fee Terms for Consulting Services

You may pay the investment advisory fees owed for the financial consulting services by submitting payment directly (for example, by check).

You should notify Walnut Private Equity Partners within ten (10) days of receipt of an invoice if you have questions about or dispute any billing entry.

All fees paid to Walnut Private Equity Partners for consulting services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

It should be noted that lower fees for comparable services may be available from other sources.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because I do not charge or accept performance-based fees.

Item 7 – Types of Clients

Walnut Private Equity Partners generally provides investment advice to the following types of clients:

- High net worth individuals

You are required to execute a written agreement with Walnut Private Equity Partners specifying the particular advisory services in order to establish a client arrangement with Walnut Private Equity Partners.

Minimum Investment Amounts Required

Walnut Private Equity Partners require a minimum of \$1,000,000 in order to open an account. To reach this account minimum, clients can aggregate all household accounts. Exceptions may be granted to this minimum only for accredited investors who we have known for years.

The minimum hourly fee generally charged for consulting services is \$250. The minimum fixed fee generally charged for consulting services is \$2,500.

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

Methods of Analysis

Walnut Private Equity Partners use the following methods of analysis in formulating investment advice:

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

There are risks involved in using any analysis method.

To conduct analysis, Walnut Private Equity Partners gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

Investment Strategies

Walnut Private Equity Partners uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Primarily Recommend One Type of Security

Walnut Private Equity Partners primarily recommend Master Limited Partnerships. Some of the risks involved with only recommending this type of security include lack of diversification, need for sophisticated tax advice, reliance upon volatile commodities pricing for valuations and lack of liquidity in many of the potential holdings.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, my firm is unable to represent, guarantee, or even imply that my services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through my investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with my firm varies with the success and failure of my investment strategies, research, analysis and determination of portfolio securities. If my investment strategies do not produce the expected returns, the value of the investment will decrease.

Item 9 – Disciplinary Information

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of my business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

Walnut Private Equity Partners is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

I am an independent registered investment registered adviser and only provide investment advisory services. I am not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while I do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with us.

Legal Services

Steven Seline, an associated person of Walnut Private Equity Partners, is an attorney, duly licensed in the State of Nebraska. On occasion, he may provide legal advice or services to clients on matters both related and unrelated to advisory services. When acting in this capacity, he will be compensated on an hourly or fee basis for legal services.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Walnut Private Equity Partners have established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. Walnut Private Equity Partners requires its supervised persons to consistently act in your best interest in all advisory activities. Walnut Private Equity Partners imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Walnut Private Equity Partners. If you wish to review the Code of Ethics in its entirety, you should send me a written request and upon receipt of your request, I will promptly provide a copy of the Code of Ethics to you.

Affiliate and Employee Personal Securities Transactions Disclosure

Walnut Private Equity Partners or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a conflict of interest. It is the express policy of Walnut Private Equity Partners that all persons associated in any manner with my firm must place clients' interests ahead of their own when implementing personal investments. Walnut Private Equity Partners and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with my firm unless the information is also available to the investing public upon reasonable inquiry.

I am now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, I have developed written supervisory procedures that include personal investment and trading policies for my representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Walnut Private Equity Partners.

Any associated person not observing our policies is subject to sanctions up to and including termination.

Item 12 – Brokerage Practices

Clients are under no obligation to act on the financial planning recommendations of Walnut Private Equity Partners. If the firm assists in the implementation of any recommendations, I am responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, I look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with my existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility

- Reputation and integrity
- Ability to maintain confidentiality

I exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered.

Brokerage Recommendations

If I assist you in the implementation of any recommendations, Citibank and BankAmerica Merrill Lynch will be used as the broker/dealer for your account. Walnut Private Equity Partners is independently owned and operated and not affiliated with Citibank and BankAmerica Merrill Lynch.

Directed Brokerage

Clients are allowed to select the broker-dealer that will be used for their accounts. Clients directing the use of a particular broker/dealer or other custodian must understand that I may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed brokerage account trades are generally placed by Walnut Private Equity Partners after effecting trades for other clients of Walnut Private Equity Partners. In the event that a client directs Walnut Private Equity Partners to use a particular broker or dealer, Walnut Private Equity Partners may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct Walnut Private Equity Partners to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

Soft Dollar Benefits

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

Walnut Private Equity Partners do not have a soft dollar agreement with a broker-dealer or a third-party.

Handling Trade Errors

Walnut Private Equity Partners have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of Walnut Private Equity Partners to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by Walnut Private Equity Partners if the error is caused by Walnut Private Equity Partners. If the error is caused by the broker-dealer, the broker-dealer is responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. Walnut Private Equity Partners may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons).

Walnut Private Equity Partners will never benefit or profit from trade errors.

Block Trading Policy

Investment advisors may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. Walnut Private Equity Partners does not engage in block trading.

It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is my trading policy is to implement all client orders on an individual basis. Therefore, I do not aggregate or “block” client transactions. Considering the types of investments I hold in advisory client accounts, I do not believe clients are hindered in any way because I trade accounts individually. This is because I develop individualized investment strategies for clients and holdings will vary. My strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

Agency Cross Transactions

My associated persons are prohibited from engaging in agency cross transactions, meaning I cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by Steven Seline, with reviews performed in accordance with your investment goals and objectives.

Our consulting services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

Statements and Reports

For my asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian. Additionally, Walnut Private Equity Partners may provide position or performance reports to you quarterly and upon request.

You are encouraged to always compare any reports or statements provided by me, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact my firm and the qualified custodian preparing the statement.

Item 14 – Client Referrals and Other Compensation

Walnut Private Equity Partners does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. Walnut Private Equity Partners receive no other forms of compensation in connection with providing investment advice.

Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. According to this definition, Walnut Private Equity Partners does **not** have custody of client funds or securities.

Item 16 – Investment Discretion

When providing asset management services, Walnut Private Equity Partners maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, I will have the authority to determine the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. However, it is the policy of Walnut Private Equity Partners to consult with you prior to making significant changes in the account even when discretionary trading authority is granted.

If you decide to grant trading authorization on a **non-discretionary** basis, I will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, I will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if I am not able to reach you or you are slow to respond to my request, it can have an adverse impact on the timing of trade implementations and I may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Walnut Private Equity Partners so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

Walnut Private Equity Partners does not vote proxies on behalf of Clients. I have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; I will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although I do not vote client proxies, if you have a question about a particular proxy feel free to contact me. However, you will have the ultimate responsibility for making all proxy-voting decisions.

Item 18 – Financial Information

This *Item 18* is not applicable to this brochure. Walnut Private Equity Partners does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, I am not required to include a balance sheet for the most recent fiscal year. I am not subject to a financial condition that is reasonably likely to impair my ability to meet contractual commitments to clients. Finally, Walnut Private Equity Partners has not been the subject of a bankruptcy petition at any time.

4847-3924-2541, v. 7