

PART 2A OF FORM ADV: FIRM BROCHURE

Item 1 – Cover Page

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This brochure dated November 10, 2021 (the “Brochure”) provides information about the qualifications and business practices of 1901 Partners Management, LP (“1901 Partners” or the “Registrant”). If you have any questions about the contents of this Brochure, please contact Brian S. Cohen, our Chief Compliance Officer (“CCO”) at (646) 961-3010 or by email at bcohen@1901LP.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about 1901 Partners also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for 1901 Partners is 173444.

Please note that registration as an investment adviser with the SEC does not imply any level of skill, training or ability with respect to the provision of investment advisory services. The oral and written communications of an investment adviser provide you with information through which you determine to hire or retain an investment adviser.

Item 2 – Material Changes

This Brochure, dated November 10, 2021, replaces the Registrant’s previous brochure, dated March 30, 2021. The following information provides a summary of material changes that have been made to this Brochure since the March 2021 brochure:

- Item 4 was updated to remove Robert Hougie as a principal owner of the Registrant. The principal owners of the Registrant are set forth on Schedule A of Part 1A of the Registrant’s Form ADV and in Item 4 of this Brochure.
- Item 4 was updated to provide the amount of Clients’ assets managed on a discretionary basis as of June 30, 2021; and to reflect that the Registrant wrote off one of the existing investments, Legend Energy Services, LLC, held indirectly by the five Clients: 1901 Partners, LP; 1901 (Offshore) Partners I, LP; 1901 (TE) Partners, LP; 1901-LES Partners, LP; 1901-LES (Offshore) Partners I, LP. On October 26, 2021, Legend Energy Services, LLC filed a petition under Chapter 7 of the U.S. Bankruptcy Code with the United States Bankruptcy Court for the Eastern District of Texas.
- Item 5 was updated to note the Registrant and its three Clients, 1901 Partners, LP, 1901 (Offshore) Partners I, LP and 1901 (TE) Partners, LP, agreed to [1] extended the term of the Clients; [2] significantly reduced management fees in recognition of the late stage in the Client’s investment cycle; [3] change in the structure of the waterfall; and [4] clarify certain Client expenses. Such items are described in more details in each of the Clients’ amended and restated Limited Partnership Agreements (“LPA”). 1901-LES Partners, LP, 1901-LES (Offshore) Partners I, LP and 1901-VEL Partners, LP continue to be no-fee structure funds.

1901 Partners will update this Brochure no less than annually.

You may request this Brochure by contacting the CCO.

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Item 4 – Advisory Business

- A. 1901 Partners, a Delaware limited partnership, is a privately-held investment adviser based in New York, New York, formed in 2014. The Registrant serves as an investment adviser to pooled investment vehicles (each a “Client”). The Clients are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), pursuant to Section 3(c)(7) of the Investment Company Act. Interests in the Clients are privately offered to qualified investors. Pursuant to an SEC No-Action Letter (American Bar Association, Business Law Section, publ. avail. Jan. 12, 2012), you are receiving this Brochure from 1901 Partners Management, LP as “filing adviser.”

Currently, the Registrant has 4 employees, 3 of whom perform investment advisory functions. The principal owners of the Registrant are set forth on Schedule A of Part 1A of the Registrant’s Form ADV.

The General Partner of the Registrant is 1901 Partners Management GP, LLC. Bryan Begley, Dan Penrod, and Neil Wallack are the principal owners of the Registrant.

- B. The Registrant provides discretionary investment advisory services to its Clients. The Clients primarily seek to acquire positions in upstream oil and gas, oilfield services and equipment and other energy-related and/or natural resource companies (each a “Portfolio Company” and collectively the “Portfolio Companies”). When investing in Portfolio Companies, the managing directors of the Registrant generally serve on such Portfolio Companies’ respective boards of directors.

The Registrant manages the Clients in accordance with the investment objectives and limitations set forth in each Client’s constituent documents, and the investment management agreement between the Registrant and each Client.

The Clients are closed to new investors and are no longer pursuing new investment opportunities. The Registrant does not anticipate launching any new investment funds or calling additional capital for follow on investments.

- C. The Registrant utilizes a similar investment strategy for all its Clients; however, some Clients may differ slightly in their approach to investing, as further specified in each Client’s constituent documents. The Registrant may also tailor the advisory services it provides to the Clients to the extent that certain investments cannot be held by certain Clients for legal and tax purposes as described in the relevant Client’s constituent documents. The Clients could impose restrictions in investing in certain securities or types of securities in their discretion, in accordance with the relevant Client constituent documents.
- D. The Registrant does not participate in or sponsor wrap fee programs.
- E. The Registrant manages, on a discretionary basis, assets that were valued at \$111,735,153 as of June 30, 2021, and manages no assets on a non-discretionary basis.

Item 5 – Fees and Compensation

- A. The fees charged by the Registrant for advisory services rendered to the Clients are described in the applicable LPAs. Fees for services provided typically consist of fixed management fees and/or performance-based fees. Fees are non-negotiable but may be waived or reduced at the Registrant’s discretion, as described in more detail in each Client’s governing documents.

In April 2021, the Registrant and its three Clients, 1901 Partners, LP, 1901 (Offshore) Partners I, LP and 1901 (TE) Partners, LP, agreed to [1] extended the term of the Clients; [2] significantly reduced management fees in recognition of the late stage in the Client’s investment cycle; [3] change in the structure of the waterfall; and [4] clarify certain Client expenses. Such items are described in more details in each of the Clients’ amended and restated LPA. 1901-LES Partners, LP; 1901-LES (Offshore) Partners I, LP and 1901-VEL Partners, LP continue to be no-fee structure funds.

As all of the Registrant’s clients are “qualified purchasers”, as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended, the Registrant is not required to provide a detailed fee schedule herein.

- B. The Registrant bills Clients for management fees incurred on a quarterly basis. As a private equity firm, the performance-based fees are billed as investments are realized and not on any set schedule.
- C. In addition to the management and performance-based fees described above, as described in more detail in each Client governing documents, each Client bears its own start-up costs and placement fees, including, but not limited to, legal and other organizational and offering expenses of the Client; investment-related expenses, including any and all costs and expenses incurred in connection with the acquisition or disposition of investments; costs and expenses incurred in connection with the carrying or management of investments, including custodial, trustee, record keeping and other administration fees; expenses incurred in connection with the production of financial statements and reports, tax returns, Schedules K–1 (and similar schedules) and other communications with investors; fees and disbursements of attorneys, accountants and fund administrators; taxes and other governmental charges; insurance premiums or expenses incurred by the Client in connection with the activities of the Client; any and all expenses incurred to comply with any law or regulation related to the activities of the Client; expenses related to defaults by investors in the payment of any capital contributions; expenses incurred in connection with any amendments, modifications, revisions or restatements to the constitutive documents of the Client; expenses incurred in connection with distributions to investors; expenses incurred in connection with any meeting of the investors or the advisory board called by the general partner of the Client; expenses related to the Client’s indemnification obligations under the constitutive documents; any expenses incurred in connection with the dissolution, winding up or termination of the Client. All transaction fees, monitoring fees, breakup fees, commitment fees, investment banking fees, termination fees, Portfolio Company management fees, director fees and similar fees, payments or compensation received by the Registrant or its affiliates in connection with potential or actual

investments of the Clients, and any placement fees paid by Clients, shall reduce future management fees in accordance with the terms of the applicable LPA.

Clients may incur brokerage and other transaction costs to the extent that a Client holds publicly-traded securities. In the event Clients incur such brokerage costs, see Item 12, Brokerage Practices for a detailed discussion of the Registrant's brokerage practices.

As described in more detail in the amended and restated LPA of 1901 Partners LP, 1901 (Offshore) Partners I, LP and 1901 (TE) Partners, LP, the general partner shall prepare an annual budget for the Registrant (and deliver such annual budget to the advisory board) for each fiscal year. Each annual budget shall include, for such fiscal year, all projected investment expenses and partnership expenses. Each annual budget shall be subject to the approval of the advisory board.

- D. Management fees are payable quarterly in advance at a fixed annual rate, as further set forth in each Client's constituent documents. In the unlikely event that the Registrant does not provide services for the full period, the management fee is typically required to be returned to investors in the applicable Client. In the event that the advisory contract is terminated before the end of the billing period, the Client may obtain a refund of a pre-paid fee. In general, the amount of fees returned is calculated based on the number of days remaining in the applicable period. Also, as referenced above, 1901-LES Partners, LP; 1901-LES (Offshore) Partners I, LP and 1901-VEL Partners, LP continue to be no-fee structure funds.

Performance-based fees are not paid in advance.

- E. Neither the Registrant nor any of the Registrant's supervised persons accepts compensation for the sale of securities or other investment products.

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

The Registrant and its affiliates are generally entitled to receive a performance-based fee, which is generally based on realized gains from investments above a performance threshold, as further described in the applicable LPAs.

All performance-based fees are structured subject to Section 205(a)(1) of the Investment Advisers Act of 1940 and the rules and regulations thereunder (the "Advisers Act"), including the exemption set forth in Rule 205-3 of the Advisers Act permitting performance-based fee arrangements with "qualified clients". Accordingly, the Registrant seeks to ensure that all investors satisfy the qualifications of Rule 205-3 and have been advised of the terms of such performance-based fees and the associated risks.

Performance-based fees may create an incentive for the Registrant to cause the Clients to make investments which may be riskier or more speculative than those which would be made under a different fee arrangement. However, the Registrant is committed to fulfilling its fiduciary duty to the clients to act at all times in the best interest of the clients. To this end, the Registrant has

implemented internal controls to address the potential conflicts associated with performance-based fees, and continually reassesses these controls.

Item 7 – Types of Clients

As described in Item 4, the Registrant provides investment advice to the Clients, which are private fund investment vehicles that are exempt from registration under the Investment Company Act. These Clients are typically limited to individuals and entities that meet the criteria of “accredited investors” and “qualified purchasers.” The Clients are marketed exclusively to institutional investors and high net worth individuals.

Prospective investors should refer to the constituent documents of each respective Client for information on minimum investment requirements or other such requirements for opening or maintaining an account.

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

Methods of Analysis

The Registrant’s review and approval process for investments is highly structured. The Registrant performs a detailed analysis of carefully selected investment opportunities. The Registrant’s deal team, which is usually comprised of at least two investment professionals of the Registrant, engages in detailed due diligence, sometimes drawing on external technical and other advisors, if needed. In general, this due diligence tends to focus on: (i) the individuals within the management team; (ii) the technical specifics of the opportunity; and (iii) the financial and other structural aspects of the investment. Assuming the conclusions of the due diligence process are positive, the Registrant seeks to negotiate investment terms that meet the Client’s goals, particularly with respect to staging of capital investment, mitigation of downside risk, general corporate governance, reporting and exit rights.

Post-investment, the Registrant seeks to maintain an appropriate balance in its relationship with portfolio companies, being fully engaged but seeking to avoid interfering in areas that it considers to be the prerogative of the management team. The Registrant becomes very involved in the strategy and execution of financing and exit processes.

Investment Strategy

The Registrant’s strategy is to back the management teams of early stage upstream oil and gas and oilfield services companies. The Registrant seeks to partner with high quality teams that have distinct technical skills, informational advantages, operational capabilities and the ability to secure and develop attractive assets. The Registrant implements its investment strategy utilizing: (i) its network of proprietary relationships; (ii) its technical understanding; and (iii) its execution capabilities.

Typically, managing directors of the Registrant serve on the board of directors of a Portfolio Company. The Registrant generally takes a “hands-on” approach to managing and monitoring investments, continually providing guidance and strategic advice and adjusting the initial investment thesis and action plan as appropriate, supplementing board meetings and regularly scheduled calls to discuss the action plan and financial performance with informal conversations with the management teams involved in each company. Each Portfolio Company’s progress is regularly evaluated and discussed by the Registrant’s managing directors.

The Registrant tends to favor investments with the following characteristics: potential for very large returns in an upside case; asymmetric risk reward profile; multiple paths for a successful investment return; potentially large scale; and high quality investment partners. The Registrant generally avoids opportunities that do not comply with the above and, in addition, where the failure of one element of the business plan automatically condemns the investment. In the oilfield services and equipment business, the Registrant generally follows the above principles. In addition, in that industry, the Registrant tends to eschew businesses susceptible to a high degree of technology risk, and opportunities that are disproportionately sensitive to the normal commodity business cycle of the industry.

Risk of Loss

General Risk of Loss

All investing involves a risk of loss and, accordingly, the investment strategy implemented by the Registrant may not be profitable and could lose money over short or even long periods. No guarantee or representation is made that any of the Clients will achieve its investment objectives or that investors in the Client will receive a return of their capital.

The descriptions contained below are a brief overview of the material risks related to the Registrant’s investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management of, or an investment in, the Clients.

Prior Performance Information

The Registrant has a limited prior operating history and track record. The previous performance of any investment entities associated with the Registrant should not provide any assurances regarding the performance of the Clients. As with all performance data, past performance can provide no assurance of future results.

No Assurance of Investment Return

To the extent that the investment strategy of the Registrant relies upon the recovery, stabilization or improvement of market and economic conditions, and such events do not occur for an extended period of time, there can be no assurance that the Clients will be able to generate returns for their investors or that the returns will be commensurate with the risks of making an investment in the Clients. There may be little or no near-term cash flow available to the investors of the Clients, and

there can be no assurance that any such investors will receive any distribution from the Clients.

Lack of Liquidity of Investments

Certain investments of the Clients are likely to be illiquid. Generally, the return of capital or realization of gains will require a disposition of some or all of the Clients' investments. The Clients' ability to dispose of its investments may be limited for several reasons, including the absence of an established market for the Clients' investments and legal, contractual or other restrictions on resale. Dispositions of the Clients' investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Investments in publicly traded instruments or securities of an issuer may also be subject to legal or contractual restrictions on resale, including the possibility that the Registrant will be in possession of material non-public information about such issuer. In addition, the ability to exit an investment through the public markets will depend upon favorable market conditions, including receptiveness to the instruments or securities of a Portfolio Company and an active mergers and acquisitions (or recapitalizations and reorganizations) market. Public offering, merger and acquisition and recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, which are illustrative only and not exhaustive, the Clients will generally not be able to realize an investment in a Portfolio Company if such Portfolio Company remains a privately-held entity until the sale of such entity. In some instances, the sale of Investments held by the Clients may require lengthy negotiations. There can be no assurance that the Clients will be able to dispose of its investments at the price and at the time it wishes to do so. Furthermore, such illiquidity with respect to an investment in a Portfolio Company may continue even if a Portfolio Company obtains a listing on a securities exchange.

General Economic Conditions and Recent Events

Various sectors of the global financial markets have been experiencing an extended period of adverse conditions. Market uncertainty has increased dramatically, particularly in the United States and Europe, and adverse market conditions have expanded to other markets. These conditions have resulted in disruption of the global credit markets, periods of reduced liquidity, greater volatility, general widening of credit spreads, an acute contraction in the availability of credit and a lack of price transparency. These volatile and often difficult global credit market conditions have episodically adversely affected the market values of equity, fixed-income and other securities and this volatility may continue and conditions could even deteriorate further. Some of the largest banks and companies across many sectors of the economy in the United States and Europe have declared bankruptcy, entered into insolvency, administration or similar proceedings, been nationalized by government authorities, and/or agreed to merge or be acquired by other banks or companies that had been considered their peers. The long-term impact of these events is uncertain, but could continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity.

Investments made by the Clients are sensitive to the performance of the overall economy. General fluctuations in the market prices of securities and interest rates may adversely affect the value of

the Clients' investments. There can be no assurances that conditions in the global financial markets will not worsen. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could adversely affect the access to capital, ability to utilize leverage or overall performance of the Clients or their Portfolio Companies and these or similar events may affect the Registrant's ability to execute its investment strategy.

Geopolitical Events

Events outside the control of a Portfolio Company, such as political action and governmental regulation, government macroeconomic policies, tariff and other fee rates, social stability and other unforeseen circumstances and incidents could significantly reduce the revenues generated or significantly increase the expense of operating such Portfolio Company.

Additionally, changes in political administrations in the U.S. or elsewhere could result in material, and potentially burdensome, changes to laws (including tax laws) or regulations, or in the interpretation or enforcement thereof, some of which may specifically be targeted at the private equity industry or the industries or geographies in which the Portfolio Companies operate. Portfolio Companies, and ultimately, the Clients, may be negatively impacted by such events or changes.

Business and Market Risks

The investments made by the Clients may involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of a Portfolio Company of the Clients, changes in competitive environment, changes in national or international economic and market conditions, and changes in laws, regulations, trade barriers, commodity prices and controls, fiscal policies, or political conditions of countries in which a Portfolio Company operates, including the risks of war and the effects of terrorist attacks and security operations. Difficult market conditions may adversely affect each of the Clients by reducing the value or performance of its or their investments or by reducing its ability to deploy capital, each of which could negatively impact their returns to the investors of such Clients. A Portfolio Company of the Clients may operate at a loss or have significant variations in operating results, may require substantial additional capital to support its operations or to maintain its competitive positions, or may otherwise have a weak financial condition or experience financial distress.

Business Continuity and Disaster Recovery

The Registrant's, the Clients' and their Portfolio Companies' business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), epidemics and pandemics, terrorist attacks or other circumstances resulting in property damage, network interruption and / or prolonged power outages. Although the Registrant has implemented various measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. If such business operations are disrupted or suspended for extended periods of time, the Clients may be adversely affected.

Cybersecurity Risks

The Registrant, the Clients and their respective service providers are susceptible to cybersecurity risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices that the Registrant, the Clients and their service providers use to service the Clients' operations; or operational disruption or failures in the physical infrastructure or operating systems that support the Registrant, the Clients and their service providers. Cyber-attacks against or security breakdowns of the Registrant, the Clients or their service providers may adversely impact the Clients and their investors, potentially resulting in, among other things, financial losses; the inability of us or the investors to transact business and the Clients to process transactions; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. The Clients and the Registrant may incur additional costs for cybersecurity risk management and remediation purposes. In addition, cybersecurity risks may also impact issuers of securities in which the Clients invest, which may cause a Client's investment in such issuers to lose value. There can be no assurance that the Registrant, a Client or its service providers will not suffer losses relating to cyber-attacks or other information security breaches in the future.

Investments in the Energy and Natural Resources Industries Generally

The Clients, and the Portfolio Companies in which the Clients invest, may make investments in the energy and natural resources industries, including, but not limited to, companies involved in, or supporting, (i) the production and distribution of energy and the related infrastructure companies involved in, or supporting, the production and distribution of energy and the related infrastructure and (ii) exploration for, or the extraction, development, growth, production, storage, transport or distribution of, natural resources and the related infrastructure.

These types of investments are subject to a variety of risks, not all of which can be foreseen or quantified. For instance, these companies are substantially dependent upon prevailing prices of certain natural resources, including oil and natural gas, which are subject to wide fluctuation in response to relatively minor changes in supply and demand, market uncertainty and a variety of additional factors that are beyond the control of the Registrant, the Clients or their affiliates. These factors include the level of and changes in global consumer product demand, international political and economic developments, political conditions in the Middle East and other oil and natural gas producing regions, actions of the Organization of Petroleum Exporting Countries, the supply of natural resources including global production of similar and competitive crops, the price of foreign imports and overall economic conditions, bankruptcy of key customers or suppliers, the refining capacity of oil purchasers, weather conditions, breakdowns in the equipment or facilities for the extraction, development, growth, production, storage, transport or distribution of energy or natural resource products, acts of terrorism and other catastrophes (including, but not limited to, earthquakes, hurricanes, tornados and floods), domestic and non-U.S. governmental programs and regulations and changes thereto that are detrimental to the industries including with respect to the production, transportation and/or sale of commodities, changes in standards of living, the price

and availability of alternative fuels, interest rates, special risks of constructing and operating facilities, risks involving the efficiency and effectiveness of the technologies employed, environmental liability risks, tort liability in excess of insurance coverage or the inability to obtain desirable amounts of insurance at economically attractive rates, lack of control over pricing, and merger and acquisition activity. Such fluctuations may, among other things, increase compliance costs and other costs of doing business. The Clients may be affected to a greater extent by any of these developments than would be the case with a more diversified portfolio of investments.

Exploration and Development Businesses

The Clients, and Portfolio Companies in which the Clients invest, may invest in businesses that engage in natural resources exploration and development. Oil and gas drilling may involve unprofitable efforts, not only from dry holes, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. In addition, a Portfolio Company's exploration and development efforts may be slowed and additional costs may be incurred due to the unavailability of necessary equipment, such as drilling rigs or be slowed down due to federal and state laws, regulations and stipulations. Acquiring, developing and exploring for natural resources involve many risks. These risks include encountering unexpected formations or pressures, premature declines of reservoirs or mines, blow-outs, equipment failures and other accidents, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, fires, spills and other environmental risks. Operations could result in liability for personal injuries, property damage, oil spills, discharge of hazardous materials, remediation and clean-up costs and other environmental damages, and in substantial fines and penalties from government regulators and such costs may not be fully covered by insurance. Federal, state and local legislative and regulatory initiatives relating to hydraulic fracturing as well as governmental reviews of such activities could result in increased costs and additional operating restrictions or delays in the completion of oil, natural gas and natural gas liquid wells and adversely affect our Portfolio Companies. In addition, in making such investments, the Clients must rely on estimates of natural resources reserves. The process of estimating oil and gas reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir. As a result, such estimates are inherently imprecise. Any significant variance in the assumptions could materially affect the estimated quantity and value of the reserves.

Development Phase Project Risks

Investments of the Clients may take the form of funding development phase projects, including feasibility and technical studies, preliminary engineering and permitting costs, legal costs and bid preparation and submission costs. Development phase projects often require substantial initial capital investment with limited cash flow until construction is complete. Funding of development costs is therefore subject to a substantial risk of loss, and there can be no assurance that any entity to which a Client has advanced development funding will be awarded the relevant transaction or that it can close and finance the transaction sufficiently to provide a return on or recovery of amounts invested by such Client therein. Additional development phase project risks include failure to obtain (or substantial delays in obtaining): (i) regulatory,

environmental or other approvals or permits; (ii) financing; and (iii) suitable equipment, fuel supplies or operating contracts.

Development phase projects may involve significant construction risks including the risk of substantial delay or increase in cost due to a number of unforeseen factors (including political opposition, regulatory and permitting delays, delays in procuring sites, strikes, disputes, environmental issues, force majeure or failure by one or more participants to perform in a timely manner their contractual, financial or other undertakings). A material delay or increase in cost not absorbed by the contractor/supplier, surety or other participants (by means of liquidated damages payable by the contractor or another participant, insurance proceeds or otherwise) could significantly impair the financial viability of a development phase project.

In addition, development phase projects may require extensive hiring and/or opening new office locations. The Clients or their Portfolio Companies may not be able to effectively staff new developments or may incur greater expense in doing so than planned. The inability to hire sufficient qualified operational and administrative staff for a new project could cause delays or increase the operational risks at the facility.

Weather Variations, Catastrophic Events and Force Majeure

Natural resource industry investments may be affected by variations in general weather conditions. If actual weather deviates significantly from projected weather, the Clients' investments may be adversely affected. The Clients may also be affected by severe weather. While the Clients will consider possible variations in normal weather patterns and the potential impact on its investments, there can be no assurance that such planning can adequately protect against the actual impact of these variations.

With respect to catastrophic events and other forces majeure (e.g., fires, earthquakes, adverse weather conditions, changes in law, eminent domain, war, riots, terrorist attacks and other similar risks), such events could result in the partial or total loss of an investment or cause significant downtime resulting in lost revenues, among other potential detrimental effects. Moreover, while the Clients will seek investments where insurance and other risk management products are available on commercially reasonable terms, this may not always be practical or feasible. Certain losses of a catastrophic nature, such as those caused by war, earthquakes and terrorist attacks, may be either uninsurable or insurable at such high rates so as to affect the profitability of the Clients' investments.

Environmental and Wildlife Matters

Environmental and wildlife laws, regulations and regulatory initiatives, including climate-related and wider environmental, social and governance initiatives and risks under certain circumstances, play a significant role in the natural resources industry and can have a substantial impact on investments in such industry. For example, global initiatives to minimize pollution have played a major role in the increase in demand for natural gas and alternative energy sources, creating numerous new investment opportunities. Conversely, required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the industry.

Moreover, there has been a trend in recent years toward stricter standards in environmental, health and safety legislation and regulations, which could impact the performance of the investments of the Clients. These laws and regulations may: (i) restrict the types, quantities and concentration of various substances that can be released into the environment; (ii) require reporting of the storage, use or release of certain chemicals and hazardous substances; (iii) require removal or cleanup of contamination under certain circumstances, which may require the expenditure of material amounts over a significant period of time; (iv) impose substantial civil liabilities or criminal penalties; and (v) cause additional restrictions and delays that could materially and adversely affect the Portfolio Companies and the prospects of the Clients. The natural resources industry will continue to face considerable oversight from environmental regulatory authorities, in the United States and internationally and accordingly, the Clients' investments are subject to changing and increasingly stringent environmental, wildlife, health and safety laws, as well as regulations and permit requirements. Federal, state and local laws, regulations and wildlife stipulations in the United States and abroad relating to threatened and endangered species in areas where the Portfolio Companies operate could result in increased costs and additional operating restrictions or delays in their completion of oil, natural gas and natural gas liquids as well as adversely affect their production.

There can be no assurance that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on the Portfolio Companies or Clients' other potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of Portfolio Companies will not cause injury to the environment or to people under all circumstances or that Portfolio Companies will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on a Portfolio Company, and there can be no assurance that Portfolio Companies will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of Portfolio Companies could also result in material personal injury or property damage claims.

Uncertainty of Financial Projections

A Client may use financial projections to help analyze a potential investment or future capital raises and financing for Portfolio Companies or other transactions. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse effect on the reliability of such financial projections.

Additional Capital

A Portfolio Company may require additional financing to satisfy its working capital requirements, capital expenditure and acquisition strategies. The amount of additional financing needed will depend upon the maturity and objectives of such Portfolio Company. The availability of capital

is generally a function of capital market conditions that are beyond the control of the Clients and their Portfolio Companies. There can also be no assurance that a Portfolio Company will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. For instance, a Client may be called upon to provide follow-on funding for its investments or have the opportunity to increase its investment in a particular Portfolio Company. There can be no assurance that such Client will make such follow-on investment or that it will have sufficient funds or the ability to do so. Any decision by a Client not to make a follow-on investment or its inability to make such an investment may have a substantial negative impact on a Portfolio Company in need of such an investment or may diminish such Clients' and the Registrant's ability to influence such Portfolio Company's future development.

Financing Arrangements

To the extent that a Client enters into financing arrangements, such arrangements may contain provisions that expose it to particular risk of loss. For example, any cross-default provisions could magnify the effect of an individual default. If a cross-default provision were exercised, this could result in a substantial loss for such Clients. Also, a Client may, in the future, enter into financing arrangements that contain financial covenants that could require it to maintain certain financial ratios. If such Client were to breach the financial covenants contained in any such financing arrangement, it might be required to repay such debt immediately in whole or in part, together with any attendant costs, and such Clients might be forced to sell some of its assets to fund such costs. A Client might also be required to reduce or suspend distributions. Such financial covenants would also limit the ability of the Registrant to adopt the financial structure (*e.g.*, by reducing levels of borrowing) which it would have adopted in the absence of such covenants. In addition, in certain circumstances, the capital commitments of a Clients' investors may be pledged to secure financing arrangements for such Client.

Use and Availability of Leverage; Continuing Uncertainty in Credit Markets

Clients may leverage their investments with debt financing at the Portfolio Company level or the fund level. Utilization of such leverage will result in fees, expenses and interest costs. Although the use of leverage may enhance returns and increase the number of investments that can be made by a Client, it may also substantially increase the risk of loss. Furthermore, although the Registrant will seek to use leverage in a manner it believes to be appropriate under the circumstances, the leveraged capital structure of a Portfolio Company will increase the exposure of such Portfolio Company to adverse economic factors (such as rising interest rates, downturns in the economy or a deterioration in the condition of a Portfolio Company or its industry), each of which may impair such Portfolio Company's ability to finance its future operations and capital needs and may result in the imposition of restrictive financial and operating covenants. If any such factors cause or contribute to a Portfolio Company's inability to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness or similar payments or obligations, such Portfolio Company's flexibility to respond to changing business and economic conditions may be constrained materially and the value of a Clients' investments could be significantly impacted.

In addition, the continuing uncertainty in the global financial system could lead to an overall weakening of the U.S. and global economies, which could adversely affect the financial resources

of Client and/or a Portfolio Company. During economic downturns, there have been periods of volatility, uncertainty and a deterioration of the global credit markets (including the U.S. credit markets) which reduced investor demand and liquidity for investment grade, high yield and senior bank debt and caused some investment banks and other lenders to be unwilling (or significantly less willing) to finance new investments or to offer committed financing for investments on terms less favorable than terms offered in the past, making it significantly more difficult for sponsors to obtain favorable financing. There remain elevated levels of uncertainty in the global financial markets today and there can be no certainty that recurring periods of limited financing availability (or an increase in the interest cost) for leveraged transactions could persist or return, and should such conditions arise, they could impair, potentially materially, a Client's or a Portfolio Company's ability to consummate transactions or could cause a Client or a Portfolio Company to enter into certain leveraged transactions on less attractive terms. As such, there can be no guarantee that debt facilities will be available at commercially attractive rates throughout the term of a Client or when due for refinancing. If a Portfolio Company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, a Client may hold a larger than expected equity investment in such Portfolio Company and may realize lower than expected returns from such Portfolio Company that would adversely affect such Client's ability to generate attractive investment returns for its investors. Any failure by lenders to provide previously committed financing could also expose a Client to potential claims by sellers of investments, if any, which such Client may have been contracted to purchase.

Debt Investments in a Portfolio Company

A Client may, in certain circumstances, make investments in debt instruments or convertible debt securities issued by a Portfolio Company, in connection with investments in equity or equity-related securities or may make debt investments that have an expected return comparable to equity or equity-related securities. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including, investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions.

Non-Controlling and Control Person Liability

The Clients may hold non-controlling interests in a Portfolio Company and, therefore, may have a limited ability to protect its positions in such Portfolio Company. Conversely, subject to the underlying documentation of a Portfolio Company, in certain circumstances, the Clients may hold a controlling interest in a Portfolio Company or have the ability to exercise control over such Portfolio Company. The exercise of control over a Portfolio Company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability for which the limited liability characteristic of business ownership may be ignored. If these liabilities were to arise, the Clients having such controlling

interests might suffer a significant loss. The exercise of control over a Portfolio Company could expose the assets of the Client having such controlling interests to claims by such Portfolio Company, its security holders and its creditors. The possibility of successful claims cannot be precluded.

Contingent Liabilities on Disposition of Investments

In connection with the disposition of an investment, a Client may be required to make representations about the business and financial affairs of a Portfolio Company typical of those made in connection with the sale of a business, or be responsible for the contents of disclosure documents. A Client disposing of such investment may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate or with respect to certain potential liabilities or other obligations. These arrangements may result in the incurrence of accrued expenses, liabilities or contingencies for which reserves or escrow accounts may be established.

Financial Fraud

Instances of fraud and other deceptive practices or devices employed by management or prior owners of a Portfolio Company may undermine the Registrant's due diligence efforts with respect to such Portfolio Company and, if such fraud is discovered, negatively affect the valuation of a Client's investments. In addition, when discovered, financial fraud may contribute to overall market volatility that could negatively impact a Client's investments. In the event of fraud by a Portfolio Company, the Client invested in such Portfolio Company may suffer a partial or total loss of its capital investment in such Portfolio Company.

Litigation

The nature of the business of the Portfolio Companies exposes the Portfolio Companies and each of their respective affiliates generally to the risk of third-party litigation. Furthermore, the adoption of new or enhancement of existing laws and regulations may increase the risk of litigation. Any such litigation would likely have a negative financial impact on one or more Clients.

Reliance on Corporate Management and Financial Reporting

The strategy to be implemented by a Client will rely on the financial information made available by each Portfolio Company. The Registrant may be limited in its ability to independently verify the financial information disseminated by any such Portfolio Company and is, therefore, dependent upon the integrity of both the management of such Portfolio Company and its financial reporting process in general.

Non-United States Investments

The Clients invest in companies domiciled outside of the United States. Non-U.S. securities involve certain risks not typically associated with investing in U.S. securities, including risks

relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the Clients' non-U.S. investments are denominated, and costs associated with the conversion of investment principal and income from one currency into another; (ii) differences between U.S. and non-U.S. securities markets, including potential price volatility in, and relative illiquidity of, some foreign securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation in some countries; (iv) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic, or social instability and the possibility of confiscatory taxation or expropriation; (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities and (vi) less developed corporate laws regarding, among other things, fiduciary duties and the protection of investors. The Registrant will analyze risks in applicable countries before making such investments, but no assurance can be given that a political or economic climate, or that particular legal or regulatory risks might not adversely affect an investment by the Clients.

Suitability of Investments

Investors in the Clients are sophisticated investors and have the financial ability to understand and willingness to accept the extent of its exposure to the risks and lack of liquidity inherent in an investment in the Clients. Investments in the Clients are long-term commitments and there are no assurances that the Clients' investment objectives will be achieved or that there will be any return of capital.

Financial Market Fluctuations

General fluctuations in prevailing acquisition multiples, public market equity valuations and interest rates may adversely affect the value of the Clients' investments. Instability in interest rates and valuation metrics may also increase the risks inherent in the Clients' investments. In addition, occasionally social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that have significant impacts on financial markets and could negatively impact the Client and the value of its portfolio investments.

Coronavirus and Public Health Emergencies

The World Health Organization has declared the outbreak of COVID-19 to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Businesses have also implemented similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and

other industries. Moreover, with the continued spread of COVID-19, governments have taken aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including the extent of any global, regional or other economic recession, are uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on a Client and its investments and could adversely affect 1901 Partners' ability to fulfill a Client's investment objectives. The extent of the impact of any public health emergency on a Client's investments and operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, unemployment levels, consumer confidence and spending levels, and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency could materially and adversely impact the value and performance of a Client's investments, 1901 Partners' ability to source, manage and divest investments on behalf of a Client, and the ability to achieve a Client's investment objectives, all of which could result in significant losses to the limited partners. In addition, the operations of a Client's portfolio companies, or 1901 Partners, could be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers.

The U.S. Food and Drug Administration recently approved COVID-19 vaccines. As newly developed vaccines, not all of the side effects are currently known. A substantial proportion of the population might choose to "wait and see" before getting vaccinated, which could prolong the effects of COVID-19. In addition, the vaccines are not 100% effective, which means a small portion of the population that receives such vaccinations might not be protected against the disease. Finally, new variants of the coronavirus have emerged, and are expected to continue to emerge, that are resistant to vaccines and/or more virulent than the original strain. As a result, the continuing effects of COVID-19 on the economy generally or its effect on a Client and its ability to achieve its investment objectives remain uncertain.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Registrant or the integrity of our management. Neither the Registrant nor any of its management persons has been the subject of any such legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

- A. Neither the Registrant nor any management person is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Neither the Registrant nor any of its management persons has any relationship or arrangement that is material to the Registrant's advisory business or its Clients with the related persons described in the instructions to this Item.
- D. The Registrant does not recommend or select other investment advisers for its Clients.

Item 11 – Code of Ethics, Participation or Interests in Client Transactions & Personal Trading

- A. The Registrant has adopted a written Code of Ethics (the "Code"), which is designed to promote high ethical standards and reflect the Registrant's fiduciary duty to its Clients. The Code establishes the standard of business conduct that all employees must follow and is designed to prevent prohibited acts and mitigate potential conflicts of interest between the Registrant, its employees and its Clients. The Registrant's employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the Registrant or other appropriate party of any actual or suspected violations of such laws by the Registrant or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activity of the Registrant's employees. The Registrant provides training at least annually to all employees with regards to its Code.

The Code also contains policies and procedures that ensure that all personal securities trading by employees is conducted in such a manner so as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. The Registrant restricts personal trading on most securities without the consent of the Registrant's CCO, prohibits purchasing securities in an initial public offering, requires pre-clearance before purchasing securities in a limited offering (*i.e.*, a private placement), and requires regular reporting of employees' personal securities transactions and all holdings. The Registrant closely monitors the personal trading of employees on an ongoing basis and prohibits excessive personal trading. All employees are required to annually certify that he or she has read, understands and agrees to abide by the Code, including the insider trading policies and procedures set forth therein.

The Code also addresses outside activities of employees, conflicts of interest, policies and procedures concerning the prevention of insider trading, restrictions on the acceptance or offer of significant gifts and the pre-clearance and reporting of political contributions. The

Registrant will provide a complete copy of its Code to any Client, investor or prospective investor upon request.

- B. Although unlikely, from time to time and consistent with a Client's investment objectives and subject to satisfaction of the policies and procedures set forth in the Code, the Client's governing documents and applicable law, the Registrant may recommend that a Client acquire or sell an investment with which a Registrant employee has a pre-existing direct or indirect material financial interest. A potential conflict of interest could arise in that the interested Registrant employee could benefit or suffer from such a purchase or sale of the applicable investment by a Client. However, the Code is designed to identify and manage conflicts of interest to the extent that they arise in connection with such transactions, and to ensure that the Registrant fulfills its role as a fiduciary to the Clients. In particular, the Code requires that the Registrant and its employees act in the best interest of the Clients, in good faith and in an ethical manner.

The Registrant does not enter into principal transactions, whereby the Registrant or any of its related persons purchase or sell any security for its own account from or to the account of any Client. The Registrant does not anticipate enter into cross transactions, whereby one Client purchases or sells any security for its own account from or to the account of another Client. The Registrant is not affiliated with a registered broker-dealer and as such cannot engage in agency cross transactions.

- C. Neither the Registrant nor any of its related persons invests in the same securities that are recommended to the Registrant's Clients.

(See Item 11 B.) In the unlikely event that the Registrant or a related person recommends securities to a Client, or buys and sells securities on behalf of a Client, at or about the same time that the Registrant or a related person buys or sells the same securities for its or his/her own account, the CCO will make a determination on a case by case basis to remedy such a situation.

- D. The Registrant's employees and their related entities have investments in the Clients' general partner and/or a special limited partner of one of the Clients. The general partner and the special limited partner participate in the Clients' investment program by agreeing to commit a certain amount of capital commitments to the Clients. Therefore, such employees and their related entities participate in transactions effected for the Clients and have a direct financial interest in the transactions of the Clients. While such arrangements are intended to align the interests of the Registrant and the investors, it also has the potential to create conflicts of interest. To address such conflicts, the investment arrangements are described and agreed upon in the governing documents of the Clients. Generally, investments are made and disposed on the same economic terms for all investors, including the Registrant's related parties, so that no one receives more favorable terms or greater exposure to a particular investment. Also, with respect to conflicts of any nature, where available, the Client can consult with an advisory board of the investors of the applicable Client.

- E. The Registrant's managing directors serve as directors and officers of certain Portfolio Companies and, in that capacity, will be required to make decisions that consider the best interests of such Portfolio Companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a Portfolio Company, actions that may be in the best interests of the Portfolio Company may not be in the best interests of the Clients, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of the Registrant and such individual's duties as a director or officer of such Portfolio Company.

Other Potential Conflicts of Interest.

The Registrant is responsible for valuing the assets of its Clients and does so internally (*i.e.*, the Registrant does not currently utilize a third party for valuation purposes). Due to the nature of the Registrant's investment strategy, many of the Client assets are priced in the absence of a readily available market and are priced on determinations of fair value, which may prove to be inaccurate. The valuation of Client Portfolio Companies is determined internally by the Registrant based on, to the extent possible, the most currently available data. On a regular, ongoing basis, the Registrant obtains updates on each investment's financial performance, as well as information on economic and industry trends. Conflicts of interest could arise with the presentation or reporting of valuations to investors or otherwise.

Conflicts of interest not described herein may also exist. The Registrant can give no assurance that any conflicts of interest will be resolved in favor of a particular Client or investors in such Client. However, as referenced above, the Registrant has adopted and implemented compliance policies and procedures to address and mitigate conflicts of interests.

Item 12 – Brokerage Practices

- A. The Registrant does not make regular use of brokers for the purposes of purchasing or selling securities on behalf of the Clients because the securities that it typically purchases or sells on behalf of the Clients are acquired and/or disposed of in privately negotiated purchase and sale transactions. The Registrant has not made any soft dollar arrangements with brokers.

From time to time, the Clients may use a broker to effect transactions in public securities resulting from, or in connection with, portfolio investments. As noted previously, except in limited circumstances, the Registrant has discretionary authority to manage the Client accounts, including authority to make decisions with respect to which securities are bought and/or sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. The Registrant's authority is limited by its own internal policies and procedures and each Client's investment guidelines. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, the Registrant shall consider, among other things, the following:

- the ability of the brokers and dealers to effect the transaction;

- the brokers' or dealers' facilities, reliability and financial responsibility; and/or
 - the provision by the brokers of capital introduction, talent introduction, marketing assistance, access to company management and access to deal flow.
- B. Due to the nature of the Registrant's strategy, there are no purchase or sale orders of securities that are aggregated for various Client accounts.

Item 13 – Review of Accounts

- A. The Clients' Portfolio Companies are monitored and reviewed by the Registrant's managing directors. The Registrant's managing directors are primarily responsible for portfolio and risk management. Portfolio Companies are reviewed in the context of each Client's stated investment objectives and guidelines. The Registrant's managing directors also monitor and review the Portfolio Companies by participating in board meetings and reviewing financial reporting packages.
- B. More frequent reviews may be triggered by material changes in key variables that could affect the performance of the Portfolio Companies, including, without limitation, changes in the financial markets, activity and trends in the political or economic environment, as well as the specific circumstances affecting each Client.
- C. The Registrant provides to its Clients the audited financial statements prepared in accordance with generally accepted accounting principles within 90 days after the end of each fiscal year and a written report on a quarterly basis, within 45 days (or as soon thereafter as reasonably practicable) after the end of each of the first three quarters of each fiscal year.

Item 14 – Client Referrals and Other Compensation

- A. No one other than the Clients provides an economic benefit to the Registrant for providing investment advice or other advisory services to the Clients.
- B. Neither the Registrant nor any related persons directly or indirectly compensates any person who is not a supervised person for Client referrals. However, the Registrant may use an unaffiliated third-party placement agent for investor referrals.
- C. The Registrant or its affiliates may charge portfolio companies monitoring, director or other fees described in Item 5. Also, employees of the Registrant who serve on the board of directors of portfolio companies may receive compensation (in the form of cash, stock options or other equity awards) in their capacity as directors. All of the direct and indirect compensation received by an employee of the Registrant in his or her capacities in a Portfolio Company will be applied as a reduction of the Clients' future management fees in accordance with the terms of their LPAs.

Item 15 – Custody

The Registrant is deemed to have custody of the Clients securities or funds because the Registrant, including the General Partner, act as their investment adviser with the authority to dispose of funds and securities in their accounts. The Registrant relies on the “audit exemption” under Rule 206(4)-2(b)(4) under the Advisers Act, which exempts an adviser to a limited partnership, limited liability company or other pooled investment vehicle from the requirement to deliver account statements to its clients if the adviser requires the vehicle to be audited annually by an independent public accountant that is registered with the Public Company Accounting Oversight Board and distributes the audited financial statements annually to the investors in the vehicle.

Each Client is a pooled investment vehicle, and custody of such Client’s assets is maintained in compliance with applicable rules and regulations set forth in the Advisers Act. Where required, cash and securities are maintained at a financial institution meeting the definition of qualified custodian under the Advisers Act. In addition, the financial statements of each Client are audited by a nationally-recognized Public Company Accounting Oversight Board (PCAOB)-registered independent auditor and the governing documents of each Client require the financial statements to be distributed to investors within 120 days of the applicable fiscal year-end of the respective Client.

Item 16 – Investment Discretion

The Registrant has full discretionary authority with respect to investment decisions and advice provided to its Clients pursuant to any applicable management agreement and limited partnership agreement, subject to limitations that may be set forth in any management agreement, limited partnership agreement and/or side letter entered into with such Clients.

Item 17 – Voting Client Securities

A. The Registrant’s investment strategy does not generally involve the acquisition of publicly traded securities, and as such, it is unlikely that any Clients will be placed in a position of proxy voting authority. If any Clients do come into possession of securities with proxy voting rights, the Registrant will have the authority to vote proxies and will do so in the best interest of its Clients. To the extent the Registrant receives proxy voting authority, the Registrant believes that company management is generally best suited to make the decisions that are essential to the ongoing operation of the company. Therefore, the Registrant will generally vote proxies in line with company management. However, under circumstances where the Registrant believes that company management’s proposal will not maximize value for the Clients, the Registrant will vote against company management.

Occasions may arise in which the Registrant is required to vote a proxy while having a conflict of interest with a Client. To protect the Clients against a breach of the Registrant’s duties to them, on any occasion when a proxy vote presents a conflict of interest, the Registrant will consult on the matter and conduct a conflict analysis accordingly. The Registrant does not

consider service on Portfolio Company boards by its managing directors or the receipt of management or other fees from Portfolio Companies to create a material conflict of interest in voting proxies with respect to such companies.

With respect to instances where the Registrant has voted proxies on behalf of the Clients, the Clients may obtain information about how proxies were voted or a copy of the Registrant's proxy voting policies by contacting Brian S. Cohen at bcohen@1901LP.com.

B. Not applicable.

Item 18 – Financial Information

- A. The Registrant does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance, and therefore has not included a balance sheet.
- B. The Registrant does not believe that there are any conditions that are reasonably likely to impair its ability to meet contractual commitments to Clients.
- C. The Registrant has never been the subject of a bankruptcy petition.

Item 19 – Requirements for State-Registered Advisers

Not applicable.