

# Part 2A of Form ADV Brochure

## **Sagefield Capital LP** **Sagefield Investment Group LP**

3333 Lee Parkway, Suite 210  
Dallas, TX 75219  
[www.sagefield.com](http://www.sagefield.com)

March 30, 2023

This brochure provides information about the qualifications and business practices of Sagefield Investment Group LP and Sagefield Capital LP (collectively referred to as “Sagefield”, the “Adviser”, or the “Firm”). If you have any questions about the contents of this brochure, please contact us at (214) 717-6213. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser. This brochure does not constitute an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a private placement memorandum and related subscription materials.

Additional information about Sagefield Investment Group LP is also available on the Securities and Exchange Commission’s (“SEC”) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Sagefield is amending this Brochure as part of its Form ADV Annual Amendment for fiscal year ending December 31, 2022. On June 16, 2022, Sagefield Investment Group LP and Sagefield Capital LP filed their initial umbrella registration application with the U.S. Securities and Exchange Commission. Since that filing, the following material change has occurred:

- The Adviser updated its Chief Compliance Officer to Melinda Trujillo.

Future Brochure filings will address material changes since the date of this filing concerning Sagefield, which will either be delivered, or offered for delivery, to clients. A copy may also be downloaded from the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Our Brochure may be requested by contacting Melinda Trujillo, the Adviser's Chief Compliance Officer at [melinda.trujillo@sagefield.com](mailto:melinda.trujillo@sagefield.com).

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#### Item 4 – Advisory Business

- A. The Advisers are Texas limited partnerships and have their principal place of business in Dallas, Texas. The Advisers provide discretionary investment advisory services to pooled investment vehicles (the “Private Funds”) and separately managed accounts (the “SMAs” and, together with the Private Funds, the “Clients”).

Sagefield Capital LP was formed in 2018 by Mark Schlueter and Jonathan Lamensdorf, and Sagefield Investment Group LP was formed in 2020 by Mark Schlueter.

- B. The Advisers’ investment strategy differs across Client accounts, but generally seeks to maximize capital appreciation by employing several uncorrelated strategies including: Equity Relative Value within (i) Natural Resources, (ii) Utilities, (iii) Materials and (iv) Energy Transition and Event Driven within (v) Risk Arbitrage, (vi) SPAC Arbitrage, and (vii) Special Situations. Details for each strategy are available within each Fund’s respective private placement memorandum.
- C. While each of the Clients will follow the general strategy stated above, the Advisers may tailor the specific advisory services with respect to each Client based on the particular investment objectives and strategies described in the applicable Client’s (i) confidential offering memorandum or separate account agreement (as applicable) and (ii) governing documents (collectively with respect to a Client, the “Offering Documents”).

Clients may impose certain restrictions on the trading strategy consistent with the terms of their respective Offering Documents.

- D. The Advisers do not participate in wrap fee agreements.
- E. As of December 31, 2022, the Advisers manage approximately \$519M in discretionary assets and \$0.00 in non-discretionary assets.

## Item 5 – Fees and Compensation

### A. Fee Schedule

The fees and compensation payable to the Adviser are negotiable and vary among its Clients. However, the Adviser is generally entitled to a Management Fee and a Performance Fee (defined below) ranging as follows:

#### 1. **Management Fee**

With respect to the Private Funds, the Adviser typically receives an asset-based management fee calculated as a percentage of each investor's capital account balance, payable monthly in advance (the "Management Fee"). The Management Fee is generally between 1.5% and 2%. The Adviser may agree with certain investors in a Private Fund to a variation of such fees.

With respect to the SMAs, the Adviser generally receives a management fee similar to those paid by the Private Funds but are subject to additional negotiation as to amount and timing. Management Fees may be charged monthly or quarterly and may be payable in advance or in arrears. Management Fees paid by SMAs may be different and/or more or less favorable than those paid by the Private Funds. The details of such fees are described in detail in each SMA's offering documents.

#### 2. **Performance Fees**

With respect to the Private Funds, the Adviser generally receives a performance fee equal to a percentage of the net income allocated to each investor for the year (the "Performance Fee"), but only to the extent net income allocated to that investor exceeds any cumulative losses that were allocated to that investor for earlier periods and that have not been recovered (a "high water mark"). This Performance Fee is generally between 15% and 20% and is typically made at the end of each calendar year.

With respect to the SMAs, the Adviser generally receives a Performance Fee similar to those paid by the Private Funds but are subject to the additional negotiation as to amount and timing. Performance Fees paid by SMAs may be different and/or more or less favorable than those paid by the Funds.

See Item 6 below for more information concerning performance fees.

### B. Payment of Fees

Management Fees are generally calculated and payable either quarterly or monthly as noted above, while Performance Fees are calculated as of the last business day of the calendar year and payable annually. Clients receive an invoice for any applicable fees owed.

### C. Third-Party Fees

The direct expenses borne by each Client are described more fully in each Client's offering documents. However, Clients will generally pay such costs and expenses that the Adviser determines to be reasonably necessary, appropriate, advisable or convenient to carry on its business and realize its objective, including but not limited to: (i) management fees; (ii) all general investment expenses (i.e., expenses which the Adviser reasonably determines to be directly related to the investment of the Client's assets); (iii) all administrative, legal, accounting, auditing, record-keeping, tax form preparation, compliance and consulting costs and expenses; (iv) fees, costs and expenses of third-

party service providers that provide such services; and, (v) any extraordinary expenses, among other expenses.

These fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which will also be borne by the Clients. Such charges, fees and commissions are exclusive of and in addition to the Management Fee and Performance Fee. Please see Item 12 of this Brochure for more information regarding how the Adviser selects brokers and determines the reasonableness of their compensation.

**D. Prepayment of Fees**

Clients may be required to pay Management Fees in advance. If the advisory contract is terminated prior to the end of the billing period, the Management Fee will be prorated to reflect the portion of the billing period for which the Adviser did not serve as investment manager for the Client, and such amount will be refunded to the Client.

The Adviser generally requires SMA clients to provide written notice of its desire to withdraw any capital amount at least 45 days in advance, subject to a one year lock up period. Private Fund investors are generally subject to a one-year lock-up period with an early withdraw reduction.

**E. Outside Compensation for the Sale of Securities**

Neither the Adviser nor any of its supervised persons receives any compensation from the sale of securities or other investment products.

The foregoing discussion in Items 5 represents the Adviser's basic compensation arrangements. The Management Fees and Performance Fees described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular investor may vary. Although the Adviser believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.

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

As described in Item 5 above, the Adviser or its affiliates receive a Performance Fee from certain Clients. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3, which requires that performance-based fees only be charged to “qualified clients” (as such term is defined in Rule 205-3).

Performance fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee-paying clients over other clients in the allocation of investment opportunities. To address these conflicts of interest with respect to any future clients, the Adviser has implemented policies and procedures to ensure that all clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

The Adviser manage multiple Clients with similar investment strategies on a side-by side basis. As a result of the foregoing, the Adviser, its principal(s), and/or affiliate(s) may have conflicts of interest in: (i) allocating their time and activity among the multiple Clients; (ii) allocating investments among the multiple Clients; and (iii) effecting transactions among the multiple Clients, including ones in which the Adviser, its principal(s), and/or affiliate(s) may have a greater financial interest. These conflicts of interest may create an incentive for the Adviser to favor a Client in which the Adviser, its principal(s), and/or affiliate(s) have a greater financial interest with respect to allocation of time and activity, limited investment opportunities, or investments that the Adviser regards as more attractive or better performing investments.

To address these conflicts of interest, the Adviser has implemented policies and procedures to ensure that all Clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities. These policies and procedures require the Adviser to at all times allocate investments among the Clients in a manner which it believes to be fair and equitable and prohibit the Adviser from basing an allocation decision on any of the following, or similar, reasons: (i) to generate higher fees paid by one Client over another, or to produce greater fees to the Adviser or any of its affiliates; (ii) to develop a relationship with an existing or potential investor in a Client; (iii) to compensate an investor in a Client for past services or benefits rendered to the Adviser or any employee of the Adviser; or (iv) to induce future services or benefits to be rendered to the Adviser or any employee of the Adviser.

## **Item 7 – Types of Clients**

As mentioned in Item 4, the Adviser provides investment advisory services to Private Funds and other pooled investment vehicles in the form of separately managed accounts (“SMAs”).

The minimum investment required for a Client to invest in a Private Fund is \$1,000,000, although the Adviser may accept investments in a lesser amount at its sole discretion. The Adviser will accept an SMA investment on a case-by-case basis.



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

### **Investment Strategy Overview and Methods of Analysis**

Each Client account is an equity-focused, market-neutral SMA or Private Fund. Each account employs four Equity Relative Value strategies within (i) Natural Resources, (ii) Utilities, (iii) Materials and (iv) Energy Transition. In one private fund Account, the Adviser employs Event-Driven strategies within (v) Risk Arbitrage, (vi) SPAC Arbitrage, and (vii) Special Situations. The Adviser allocates capital across the Client's strategies by analyzing the risk and return characteristics of each individual strategy, the resulting risk/reward of the combined portfolio, as well as how the current or future market environment might affect each strategy and the Client. The Adviser's investment objective is to generate consistent, absolute returns while not exceeding desired risk levels. In pursuing this objective, the Adviser aims to generate returns that are uncorrelated with traditional asset classes such as equities and fixed income. The investment process seeks to identify and select investments through deep qualitative and quantitative research. Qualitative research activities may include meeting with company management teams, interviews with company customers, discussions with industry experts, and assessments of the macroeconomic landscape. The quantitative research activities may include developing detailed projections of a company's earnings and cash flow, analysis of company attribute comparisons, gathering and synthesizing industry data, employing a multi-factor model to assess risk characteristics of target securities, and adjusting investment positions across the portfolio to manage risk exposure.

All investing in securities involves risk of loss that clients should be prepared to bear. Past performance is no guarantee of future performance.

### **Risk of Loss**

Investing is speculative and involves certain risks. Certain of these risks are summarized below. An investment with the Adviser may not be suitable for all investors and is intended for sophisticated investors who can accept the risks associated with its investments. An investment does not constitute a complete investment program. Investors will not have recourse except with respect to the assets of their Account. Prospective investors should consider, among others, the risk factors and potential conflicts of interest described in this section. All investors should consult their own legal, tax and financial advisors prior to investing.

#### *Investment Judgment; Market Risk.*

The profitability of a significant portion of the Client's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Adviser will be able to predict accurately these price movements. With respect to the investment strategy utilized by the Client, there is always some, and occasionally a significant, degree of market risk.

#### *No Participation by Limited Partners.*

Substantially all decisions with respect to the management of the Client are made exclusively by the Adviser. Limited partners have no right or power to take part in the management of the Client. The Adviser also makes all of the trading and investment decisions of the Client.

*Reliance on Key Person.*

The Client will be substantially dependent on the services of the principals. In the event of the death, disability or departure of a principal, or the complete transfer of a principal's interest in the Adviser, the business of the Client may be adversely affected. Each principal will devote such time and effort as he deems necessary for the management and administration of the Client's business. However, each principal may engage in various other business activities in addition to managing the Client, and consequently may not devote all of his time to Client business.

*Cybersecurity.*

Information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Adviser and/or the Client may have to make a significant investment to fix or replace them, which expense may be borne in whole or in part by the Client. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's and/or the Client's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors. Such interruptions could harm the Adviser's and/or the Client's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance. The foregoing risks and consequences are also extant at the Client level and could manifest as adverse performance of the Client.

*Reliance on Third Party Advisors; Service Providers.*

The Adviser utilizes the services of attorneys, accountants and other consultants in their operations. The Adviser generally relies upon such advisors for their professional judgment with respect to legal, tax and other regulatory matters. Nevertheless, there exists a risk that such advisors may provide incorrect advice from time to time. In particular, the Adviser has consulted with legal counsel, accountants and other experts regarding the formation of the Account. Each prospective investor should consult its own legal, tax and financial advisors regarding the suitability of an investment in the Client. The Adviser will not have any liability for any reliance upon third-party advice.

*Indemnification.*

The Client may be required to hold harmless certain indemnified persons against loss or damage occasioned by any acts or omissions in the performance of services under the advisory agreements or otherwise in connection with the Client, its operations or its investments, in the absence of willful misconduct, bad faith or gross negligence or as otherwise required by law.

*All Investments Risk the Loss of Capital.*

No guarantee or representation is made that the Client's investments will be successful, and investment results may vary substantially over time. There can be no assurance that the Client will be able to generate returns for the Client or that the returns will be commensurate with the risks of investing in the investments. There can be no assurance that any Client will receive any distribution. Accordingly, an investment with the Adviser should only be made by persons who can afford a loss of their entire investment. The returns will be reduced by the Management Fee and Performance Fee. The amounts may be significant and will reduce Client returns.

#### *Economic Conditions.*

The Adviser's business may be adversely affected from time to time by such matters as: (i) changes in general economic, industrial, political, and international conditions; (ii) national or global pandemics or acts of war, terrorism, or international boycott; (iii) changes in taxes and prices of raw materials and components; and (iv) other factors of a general nature that are beyond the control of the Adviser. Changes in economic conditions, including changes in interest rates, inflation rates, industry conditions, government regulation, competition, technological developments, political events and trends, tax laws and many other factors can affect substantially and adversely the business and prospects of the Client and the value of the investments. None of these conditions is within the control of the Adviser.

#### **Risks Related to Investments**

##### *Availability of Suitable Investments.*

While the Adviser believes that there are currently available many attractive investments of the type in which the Clients currently invest, there can be no assurance that such investments will continue to be available for the Clients' investment activities, or that available investments will meet the Clients' investment criteria.

##### *Fraud.*

Investing in loans or preferred equity involves the possibility of material misrepresentation or omission on the part of the borrower or issuer, respectively. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loan or assets of an issuer of preferred equity. The Client will rely upon the accuracy and completeness of representations made by borrowers and issuers, but cannot guarantee such accuracy or completeness.

##### *Exchange Traded Funds and Other Similar Instruments.*

Shares of exchange traded funds ("**ETFs**") may be purchased or sold long or short by the Client. An ETF is an investment company that is registered under the Investment Company Act that holds a portfolio of stocks or bonds designed to track the performance of a particular index. Investments in ETFs involve certain inherent risks generally associated with investments in a broadly-based portfolio of stocks or bonds, including risks that the general level of stock or bond prices may decline, thereby adversely affecting the value of each unit of the ETF. In addition, an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or number of stocks or bonds held. Because ETFs bear various fees and expenses, the Client's investment in these instruments will involve certain indirect costs, as well as transaction costs, such as brokerage commissions. The Adviser considers the expenses associated with an investment in determining whether to invest in an ETF.

The market value of ETF shares may differ from their net asset value. This difference in price may be due to the fact that, at any given point of time, the supply and demand in the market for ETF shares is not always identical to the supply and demand in the market for the underlying basket of securities. Therefore, an ETF share may trade at a premium or discount to its net asset value.

##### *Short Sales.*

The Client may enter into transactions, known as "short sales," in which it sells a security it does not own in anticipation of a decline in the market value of the security. Short sales by the Client that are not made "against the box" theoretically involve unlimited loss potential since the market price of securities sold

short may continuously increase. The Client may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Client might have difficulty purchasing securities to meet its short sale delivery obligations and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

#### *Hedging Risks.*

The Adviser may employ certain hedging techniques to address perceived risks to the contents of the Client's portfolio and its ability to deliver attractive returns. Hedging against a decline in the value of a portfolio position is an imperfect science and may not eliminate anticipated fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline. The practice of hedging establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedge transactions may also limit the opportunity for gain if the value of the portfolio position should increase. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Moreover, for a variety of reasons, the Adviser may not seek or be able to establish a sufficiently accurate correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Client from achieving the intended result(s) of hedging or expose the Client to risk of loss. The Adviser has broad latitude in executing its hedging program based on prevailing market perceptions and its assessment of risks to the portfolio. As such, the implementation of hedges and the success or failure of those hedges in achieving their desired result will vary over time.

#### *Leverage.*

The Client may maximize its investment positions by purchasing securities on margin. As a result, the possibilities of profit and loss will be increased. Borrowing money to purchase securities will provide the Client with advantages of leverage, but exposes it to capital risk, interest rate risk and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause the Client's net profit to increase faster than would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Client's net loss to increase faster than would otherwise be the case.

#### *Diversification.*

Since the Client's portfolio will not necessarily be widely diversified, the investment portfolio of the Client may be subject to more rapid changes in value than would be the case if the Client were required to maintain a wide diversification among companies, securities and types of securities.

#### *Valuations.*

From time to time, certain situations affecting the valuation of the Client's investments (such as limited liquidity, unavailability or unreliability of third-party pricing information and acts or omissions of service providers to the Client) could have an impact on the net asset value of the Client, particularly if prior judgments as to the appropriate valuation of an investment should later prove to be incorrect after a net asset value-related calculation or transaction is completed. The Client is not required to make retroactive adjustments to prior transactions or fees based on subsequent valuation data.

## **Risks Related to Investment Strategy**

### *Small- and Mid-Cap Companies.*

Investments in small capitalization stocks involve greater risk than is customarily associated with larger, more established companies. These companies often have sales and earnings growth rates that exceed those of large companies. Such growth rates may in turn be reflected in more rapid share price appreciation. However, smaller companies often have limited product lines, markets or financial resources, and they may be dependent upon one-person management. These securities may have limited marketability and may be subject to more abrupt or erratic movements in price than securities of larger companies or the market averages in general.

### *Risks of Relative Value Investing.*

The Fund may make investments engaged in relative value investing. The success of the Investments based on a relative value investment strategy depends on the Investment Manager's ability to identify and exploit perceived inefficiencies in the pricing of securities, financial products, or markets. Identification and exploitation of such discrepancies involve uncertainty. There can be no assurance that the Investment Manager will be able to locate investment opportunities or to exploit pricing inefficiencies in the securities markets. A reduction in the pricing inefficiency of the markets in which the Investment Manager seeks to invest will reduce the scope of available opportunities. In the event that the perceived mispricings underlying the Investments were to fail to converge toward, or were to diverge further from, relationships expected by the Investment Manager, the Fund may incur losses. An investment based on a relative value investment strategy may result in high portfolio turnover and, consequently, high transaction costs. In addition, a relative value strategy is designed to be uncorrelated with respect to the movements in equity markets and risk-free interest rates. Depending upon the investment strategies employed and market conditions, unforeseen events involving such matters as political crises, or changes in currency exchange rates or interest rates, forced redemptions of securities, or general lack of market liquidity may have a material adverse effect on the value of an Investment and, consequently, the Fund.

### *Arbitrage Strategies Risk.*

Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in different forms. Examples of arbitrage strategies include event-driven arbitrage, merger arbitrage, capital structure arbitrage, convertible arbitrage, fixed income or interest rate arbitrage, statistical arbitrage, debt spread arbitrage and index arbitrage. The Fund may employ any one or more of these arbitrage strategies. If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Fund is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads," which can also be identified, reduced or eliminated by other market participants.

### *Risks of Event Driven Investing.*

The Fund may engage in event driven investing. Event driven investing requires the Investment Manager to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a portfolio company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies, a meaningful change in management or the sale of a division or other significant assets by a portfolio company may not be valued as highly by the market as the Investment Manager may have anticipated, resulting in

losses. In addition, a portfolio company may announce a plan of restructuring which promises to enhance value and fail to implement it, resulting in losses to investors.

*Investments in Special Purpose Acquisition Companies.*

The Fund may invest in “special purpose acquisition companies” (“SPACs”). A SPAC is a development stage company that has no specific business plan or purpose or has indicated its business plan is to engage in a merger or acquisition with an unidentified company or companies, other entity, or person. Because SPACs have broad discretion to select potential business combinations (subject to industry, geographic or other limitations, if any), it is not possible for the Investment Manager to fully ascertain the merits or risks of investing in a particular SPAC. The Investment Manager generally intends to select for investment securities of SPACs with strong structures, those headed by management teams with proven track records or SPACs with other elements that suggest the likelihood of a favorable result, but there is no guarantee that the SPAC will achieve positive returns. The Fund is dependent upon the integrity, skill and judgment of the management team of each SPAC in which the Fund invests. There is no guarantee that a SPAC selected by the Investment Manager for investment by the Fund will be able to effect a business combination with an operating entity, or that any operating entity that is acquired by a SPAC will achieve profitability or continue to operate profitably post-acquisition. SPACs may encounter intense competition from other entities having similar business objectives, such as venture capital funds, leveraged buy-out funds and other private equity entities, as well as operating businesses competing for acquisitions. If the Fund invests in a SPAC that is unable to effect a business combination, the Fund will receive its share of the proceeds held in trust, subject to reduction if third-party claims are made against the SPAC or escrow or if the funds in the trust otherwise decline prior to liquidation. Investment in SPACs is also subject to certain investor risks, including limits on tradability of securities issued by a current or former SPAC. In addition, if the Fund were to acquire warrants in a dual deal structure, the Fund may lose the entire value of such warrants if a business combination cannot be effected by such SPAC.

## **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 adviser or the integrity of adviser's management.

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory services or the integrity of management.

## **Item 10 – Other Financial Industry Activities and Affiliations**

- A. The Adviser does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. The Adviser has no relationships or arrangements with any related person listed in the instructions to Item 10.C. that are material to its advisory business or to its Clients.
- D. The Adviser does not recommend or select other investment advisers for its Clients.



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

- A. The Adviser has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Investment Advisers Act of 1940 and similar Texas state regulations (the “Code”). The Code sets forth a standard of business conduct and compliance with federal and Texas securities laws by all of the Adviser's employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. The Adviser prohibits personal trading on certain securities or instruments; requires pre-clearance of personal trades in certain circumstances, including purchases of an IPO or a new private placement; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

From time to time, the Adviser may have access to non-public information relating to public companies. As part of its Code, the Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the Firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non-public information, and, therefore, may not trade on the basis of that information.

Investors and prospective investors may obtain a copy of the Code of Ethics upon request in writing to Sagefield at the address on the cover of this Brochure.

- B. The Adviser does not have a material financial interest in securities for which it recommends to Clients or buys or sells for Client accounts.
- C. The Adviser or related persons may invest in securities that it recommends to Clients. This may create an incentive for the Adviser to allocate securities in favor of the Adviser's proprietary accounts over the Client's accounts. To address these conflicts of interest, the Adviser has implemented personal trading policies within the Code that requires pre-clearance of personal trades in certain circumstances; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.
- D. Subject to the requirements of the Code, the Adviser and any related person may recommend investments to Clients, or make investments for Clients, at or about the same time that the Adviser or its related persons buys or sells the same investments for their own account. As indicated in Item 13.C. above, the Adviser has implemented policies and procedures, including the Code, that are reasonably designed to help mitigate potential conflicts of interests and ensure that the Adviser's personnel act in the best interests of the Adviser's Clients at all times.

## Item 12 – Brokerage Practices

- A. The Adviser has complete discretion to determine, subject to each Client’s disclosed investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries use in effecting the transactions for Clients, and the commission rates to be paid for such transactions.

### **Brokerage**

The Adviser selects the broker-dealers and other financial intermediaries used to effect transactions on behalf of its Clients. The Adviser seeks to obtain “best execution” from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect portfolio transactions, the Adviser may cause a Client to enter into arrangements pursuant to which the Client pays transaction costs in an amount greater than would be incurred if another broker-dealer were used. The Adviser is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions executed by a Client may be cleared through, and the Client’s investment instruments may be held by, a number of financial institutions the Adviser selects on terms negotiated with each such financial institution individually. Subject to the Adviser’s agreement with each Client, the Adviser generally will use a variety of financial institutions both to take advantage of differing expertise and capabilities and to avoid, due to credit concerns, having all investment instruments concentrated at one firm. The Adviser does not consider the receipt of Client referrals when selecting broker-dealers to execute transactions.

The Adviser does not permit Clients to direct brokerage to a specified broker-dealer. All brokerage transactions will be executed through the broker-dealers selected by the Adviser.

### **Soft Dollars**

The term “soft dollars” refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

The Adviser or its affiliates do not receive from a Client’s broker-dealers products and services in addition to brokerage services.

In the event that the Adviser elects to use soft dollars, it intends to limit such use to services that fall within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended, or such services that are otherwise reasonably related to the investment decision-making process.

- B. In general (and when applicable), the Adviser attempts to aggregate multiple orders for the purchase or sale of the same instrument into block transactions, subject to the overall obligation to achieve best price and execution for its Clients.

### Item 13 – Review of Accounts

- A. Portfolio managers and other investment professionals of the Adviser review each Client's investment portfolio(s) on a regular basis to ensure that investments are made in conformity with stated objectives and guidelines. Trades for Client accounts are reviewed after execution by portfolio managers for accuracy and appropriateness.
- B. Portfolios are reviewed on a daily basis by the Firm's traders. The members of the investment team are in a continuous research mode and should any circumstance change with regards to a particular holding, will report on this to the broader team.
- C. Generally, a portfolio manager will meet or communicate with Clients quarterly or as frequent as the Client requests, to review objectives, holdings, and portfolio performance, the economics of the period and the Adviser's outlook, among others matters.

#### **Item 14 – Client Referrals and Other Compensation**

The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Client.

Neither the Adviser nor any related person of the Adviser directly or indirectly compensates any person who is not a supervised person for client referrals.

## Item 15 – Custody

The Adviser is deemed, under Rule 206(4)-2 of the Advisers Act, to have custody of the assets of the Private Funds due to its access to funds, authority to deduct fees and other expenses from the Private Funds and services by the Advisers' affiliates as General Partners of the Private Funds. To the extent required by SEC rules, all assets and securities of the Private Funds are held by qualified custodians.

Private Fund investors receive annual financial statements audited by an independent public accounting firm. Private Fund investors are urged to carefully review these statements.

## **Item 16 – Investment Discretion**

The Adviser has discretionary authority over each Client account under an investment management agreement with the Client. The Adviser's authority to manage Client accounts is in all cases subject to the specific objectives, guidelines, and limitations set forth in the applicable investment management agreement.

Various securities and tax laws may impose restrictions on such discretion.

## Item 17 – Voting Client Securities

Though the Adviser has been granted such authority, the Adviser generally does not vote proxies on behalf of its Clients. To the extent the Adviser does vote proxies, however, the Adviser will follow a proxy voting policy to ensure that proxies the Firm votes, on behalf of each Client, are voted to further the best interest of that Client. The policy establishes a mechanism to address any conflicts of interests between the Adviser and its Clients. Further, Clients may obtain a record of the Adviser's proxy voting history by contacting the Chief Compliance Officer at 214-717-6213.

The Adviser determines how to vote after studying the proxy materials and any other materials that may be necessary or beneficial to voting. The Adviser votes proxies in a manner that it believes reasonably furthers the best interests of its Clients and their investors and is consistent with the investment philosophy as set forth in the relevant Client Offering Documents.

If a proxy vote creates a material conflict between the interests of the Adviser and a Client, the Adviser will resolve the conflict before voting the proxies. The Adviser will take steps designed to ensure that a decision to vote the proxy was based on the Adviser's determination of the Client's best interest and was not the product of the conflict.

The Adviser maintains records of (i) all proxy votes that are made on behalf of its Clients; (ii) all written requests from each Client's underlying investors regarding voting history; and (iii) all responses (written and oral) to investors' requests. Such records are available to each Client's underlying investors upon request.

## **Item 18 – Financial Information**

The Adviser does not require or solicit prepayment of more than \$1,200 six months or more in advance.

The Adviser does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Clients.

The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.