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**PART 2A OF FORM ADV: FIRM BROCHURE**

**PANDION MINE FINANCE, L.P.**

**MARCH 2023**

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Pandion Mine Finance, L.P.  
777 Post Oak Boulevard  
Suite 430  
Houston, TX 77056  
Tel: (346) 509-4907  
[www.pandionmetals.com](http://www.pandionmetals.com)

THIS PART 2A OF FORM ADV (THE “BROCHURE”) PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF PANDION MINE FINANCE, L.P. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (346) 509-4907. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) OR BY ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT PANDION ALSO IS AVAILABLE ON THE SEC’S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).

REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR NOTICE FILING WITH ANY STATE SECURITIES AUTHORITY DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.

## Item 2 – Material Changes

Pandion Mine Finance, L.P. (“**Pandion**” or the “**Firm**”) is amending its Brochure to reflect updates since its last annual amendment filed on March 29, 2022. This annual amendment to its Brochure contains the following updates:

- **Item 1 (Cover Page)** has been updated to reflect that in March 2023, Pandion’s main office moved to 777 Post Oak Boulevard, Suite 430, Houston, TX 77056 and the phone number was updated to (346) 509-4907;
- **Item 4 (Advisory Business)** has been updated to reflect that Qenta Asset Management LLC, a wholly owned subsidiary of Qenta Inc., is now the owner and control person of each Pandion and its general partner, Pandion Mine Finance, LLC;
- **Item 5 (Fees and Compensation)** has been updated to disclose the Fund’s updated management fees;
- **Item 6 (Performance-Based Fees and Side-By-Side Management)** has been updated to disclose the Fund’s updated performance-based compensation;
- **Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss)** has been updated to reflect current risk factors;
- **Item 10 (Other Financial Industry Activities and Affiliations)** has been amended to update relationships that are material to the Firm’s advisory business;
- **Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading)** has been updated to accurately reflect conflicts of interest; and
- **Item 13 (Review of Accounts)** has been updated to describe the review of the Firm’s portfolio investments.

All other updates to this Brochure are routine and immaterial.

The Firm will send clients either an updated Brochure or a summary of any material changes to this and subsequent Brochures on at least an annual basis. Clients are encouraged to read the Brochure in detail and contact Pandion with any questions. The latest version of the Brochure can be accessed via the SEC Website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), by requesting a copy by contacting Ahmad Al-Sati by calling Pandion at (346) 509-4907.

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#### Item 4 – Advisory Business

Effective March 3, 2023, through a transaction with Pandion, Ryan Byrne, Joseph Archibald, Ospraie Management, LLC and MKS Private Equity BV, Qenta, Inc. (“Qenta”) acquired 100% of the equity interests of Pandion and its general partner, and subsequently assigned such interests to Qenta Asset Management LLC (“QAM”), its wholly owned subsidiary (referred to herein as the “Transaction”).

Pandion provides discretionary investment advice solely to private investment funds that seek to generate significant capital appreciation primarily through investments in companies in the primary business of constructing and operating mineral mining assets globally. In particular, the Firm serves as the investment manager to a master/feeder fund complex comprised of (i) Pandion Fund I Feeder, L.P. (the “**Feeder Fund**”)<sup>1</sup> and (ii) RivertMet Resource Capital, L.P. (“**RiverMet**” or the “**Main Fund**”, and the Feeder Fund, the “**Fund**”).

The Fund’s primary investment structure consisted of pre-paid metal purchase agreement (“**PMPA**”). Via the PMPA, the Fund pre-purchased future production at a discount to the prevailing forward price and material deliveries amortize the capital investment. The Fund generally receives a senior secured or substantially similar interest in the mineral property and assets of the company, and also seeks corporate guarantees and step-in rights as appropriate to permit the removal of management if necessary. PMPAs were generally structured to include upside potential in the form of equity warrants, call options, royalty payments and/or other yield enhancements. The Fund also made opportunistic equity investments.

The investment management services Pandion provides to the Fund primarily consists of investigating, structuring and negotiating investments and dispositions, monitoring the performance of investments and performing certain administrative services. These services are provided pursuant to investment management agreements with the Fund, the Feeder Fund, and RiverMet Resource Capital GP, LLC, the general partner of the Fund and an affiliate of the Firm (the “General Partner”). The General Partner is governed by a four-person board of directors comprised of Brent de Jong, Ahmad Al-Sati, Joseph Graf, and Roberto Perez.

The Fund has financed a significant portion of its portfolio with borrowings under a secured credit facility. Risk factors and other considerations related to the Fund’s secured indebtedness are set forth in Item 8.

All information contained in this brochure is based on the advisory services that the Firm offers. This brochure is not an offer to invest in the Fund. Information included in this brochure is intended to provide a useful summary about Pandion, but it is qualified in its entirety by information included in the Fund’s Limited Partnership Agreement (the “**LPA**”).

Pandion generally will not permit investors in the Fund to impose limitations on the investment activities described in the LPA. (*See Item 16 – Investment Discretion*)

Pandion does not participate in any wrap fee programs.

As of December 31, 2022, the regulatory assets under management, which includes the fair market value of investments, is approximately \$168,787,971. All assets are managed on a discretionary basis.

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<sup>1</sup> The Feeder Fund is an exempted limited partnership registered in the Cayman Islands that is a limited partner of the Main Fund and is only allowed to invest in the Main Fund.

## **Item 5 – Fees and Compensation**

### **Management Fees**

The Fund is assessed a \$500,000 quarterly management fee in exchange for investment management services payable in advance to Pandion or its designated affiliate.

Management fees are prorated for partial periods.

### **Expenses**

As more fully described in the Fund’s governing documents the Fund will generally bear expenses in connection with its investment activities, including, but not limited to: (i) third-party legal, auditing, consulting and accounting fees and expenses (including costs of reports to the limited partners, financial statements, and tax returns and regulatory compliance or other consulting fees relating to reports and/or filings in connection with Fund holdings); (ii) all expenses associated with the discovery, diligence, acquisition, holding and disposition of its proposed or actual portfolio investments, including third-party legal, auditing, valuation and other consulting and accounting fees and expenses, travel, insurance, storage, warehousing, indemnification and other expenses; (iii) research fees and expenses (including research subscriptions, Bloomberg subscriptions, newsletters, and research fees and expenses paid to advisors or consultants); (iv) all extraordinary expenses (such as litigation); (v) interest on and fees and expenses arising out of all permitted borrowings made by the Fund; (vi) third-party expenses relating to unconsummated transactions; (vii) fees and expenses of the Fund administrator; (viii) all expenses of liquidating the Fund; (ix) insurance costs (including directors’ and officers’ insurance, errors and omissions insurance and other similar policies) and (x) any taxes, fees or other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund. The additional expenses for which the Fund is responsible are set forth in the applicable LPA.

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

Pandion does not charge any performance-based fees, nor do they offer side-by-side management.

## **Item 7 – Types of Clients**

Pandion primarily provides investment advice to the Fund, as described above.

Interests in the Fund are offered on a private placement basis, and where applicable, in reliance on Section 3(c)(7) of the Investment Company Act of 1940, as amended (the “**Company Act**”), to persons who generally are “accredited investors” as defined under the Securities Act of 1933, as amended (the “**Securities Act**”), and “qualified purchasers” as defined under the Company Act, and who are subject to certain other conditions, which are fully set forth in the offering documents of such Funds. Interests in, or shares of, the Feeder Fund are generally offered to persons who are not “U.S. Persons,” as defined under Regulation S of the Securities Act, or who are tax-exempt U.S. Persons (or entities substantially comprised of tax-exempt U.S. Persons) on a private placement basis, and who are subject to certain other conditions, which are fully set forth in the offering documents of such Funds.

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

### **Methods of Analysis**

The Fund seeks to provide investors a superior risk-adjusted return on capital by providing financing to mining companies.

The Fund's primary investment structure is the PMPA. With the PMPA, the Fund pre-purchases future production at a discount to the prevailing forward price and material deliveries amortize the capital investment. The Fund generally receives a senior secured or substantially similar interest in the mineral property and assets of the company, and also seeks corporate guarantees and step-in rights as appropriate to permit the removal of management if necessary. When possible, each PMPA is structured to include upside potential in the form of equity warrants, call options, royalty payments and/or other yield enhancements. In addition to PMPAs, the Fund may also make opportunistic equity investments.

The Fund may invest in both public and private issuers, and in addition to the PMPA, investments may take the form of various securities, including but not limited to, common stocks, warrants, preferred stocks, options, depositary receipts, debt obligations, bonds, notes, debentures, commercial paper, and convertible securities. Such investments may result from either primary negotiations between the Fund and an issuer or as the result of any default by an issuer under the PMPA. In addition, for both speculative and hedging purposes, the Fund may invest in commodity interest contracts and related instruments, including without limitation, futures contracts, forward contracts, foreign exchange commitments, spot (cash) commodities, warehouse receipts, swap and similar transactions, contracts for differences, options on or in respect of the foregoing, other derivative and hybrid instruments, and other rights and interests in respect of the foregoing. All such investments may be privately negotiated transactions or may be traded on United States and international exchanges and markets, including with over-the-counter counterparties.

Pandion employs a rigorous investment process designed to source quality investments while mitigating investment risk. Prior to initiating any transaction, diligence is conducted on a target's mines, geographic location, management teams, as well as financial history and performance. The Fund invests primarily in North America, Brazil, Chile, Peru, Australia, Finland and other Rule of Law jurisdictions, and focuses on companies with mining assets that are currently in or nearing the production phase. The Fund also utilizes the services of industry consultants to assist in the initial and ongoing diligence processes. The principal investment strategy of using the PMPA itself provides a level of risk mitigation. The Firm seeks priority liens on the metal forward transactions and the inherent structure of the instrument provides a built-in-exit that serves to limit liquidity risk. Furthermore, where relevant and cost-efficient to do so, the Fund may seek to reduce market risk by employing a variety of hedging techniques, including the purchase or sale of, among other things, securities, options, future contracts, and/or other derivative products.

### **Certain Material Risks**

Investing in securities generally, and investing in the Fund, involves substantial risk of loss that investors should be prepared to bear. The task of identifying investment opportunities and managing private equity investments is difficult. There can be no assurance that the Fund will be able to make and/or realize any particular investment or that the Fund will be able to generate returns for their investors. The marketability and value of any such investments will depend upon many factors beyond the control of the Fund. In addition, there can be no assurance that any investor will receive any distribution from the Fund.

Portfolio investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic (including coronavirus ("COVID-19"), SARS, H1n1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases) or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability

of a party (including a portfolio company or a counterparty to a Fund or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. In addition, forced events, such as the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or a Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which Funds may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to a Fund, including if the investment in such portfolio companies is canceled, unwound or acquired (which could be without adequate compensation). Any of the foregoing may therefore adversely affect the performance of a Fund and its investments.

Investors in the Fund should carefully consider, among other factors, the following material risks involved with Pandion's investment strategies. Investors in the Fund are requested to refer to the Memorandum of the Fund for additional information on these risks and other risks. The following discussion of certain risk factors does not purport to be an exhaustive list or a complete explanation of all of the risks involved in private equity investments.

#### **Key Risks of Pandion's Investment Strategies**

Investing in the Fund is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular income from the investment, and can accept a potential loss of their entire investment.

The Fund has borrowed under its Credit Facility to fund a significant portion of its portfolio. The Credit Facility also permits, subject to the conditions set forth therein, the Fund to incur material additional indebtedness for additional investments. The Fund's obligations under the Credit Facility are secured by a lien over all of the Fund's assets. As a result, if an event of default occurs under the Credit Facility and is not cured, the obligations under the Credit Facility may, in the discretion of the Lenders, be declared due and accelerated, resulting in a possible foreclosure or other exercise of remedies in respect of the collateral securing the Credit Facility obligations. Such a foreclosure or other exercise of remedies could materially impair or eliminate entirely the value of the Fund's equity.

#### **Reliance on the General Partner and Pandion**

The success of the Fund will depend on the successful implementation by the General Partner and Pandion of an investment strategy and the mining and minerals sectors generally. The General Partner and Pandion together with the board of directors of the Fund's General Partner, have full, exclusive and complete authority and sole discretion in the management and control of the Fund's business, including the management of the Fund's investments, and will have wide latitude subject to the requirements of the Credit Facility, in determining the types of assets it may decide are proper investments for the Fund. The General Partner and Pandion may enter into sub-management agreements with affiliates or third parties. The Fund's limited partners will not have an opportunity to evaluate or approve specific investments by the Fund, or any particular type or category of investment, prior to the Fund's investing.

#### **Portfolio Company Management Risks**

With respect to management at the portfolio company level, many portfolio companies rely on the services

of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. Although Pandion and the General Partner expect to monitor portfolio company management, management of each portfolio company will have day-to-day responsibility with respect to the business of such portfolio company. There can be no assurance that the management teams will be able to operate portfolio companies in accordance with the Fund's investment objectives.

#### Competitive Environment

The Fund operates in a free market and a competitive sector. There is no guarantee that competitors will not attempt to price their investments below the Fund's and therefore either (a) limit the Fund's ability to invest or (b) lower the Fund's expected target returns.

#### Leveraged Investments

The use of leverage involves a high degree of financial risk. The extent to which the Fund uses leverage may have important consequences to the Fund's limited partners, including, but not limited to, the following: (a) greater fluctuations in the net assets of the Fund, (b) use of cash flow for debt service and related costs and expenses, rather than for additional investments, distributions, or other purposes, (c) to the extent that the Fund's revenues are required to meet principal payments, investors may be allocated income (and therefore incur tax liability) in excess of cash available for distribution, (d) in certain circumstances the Fund may be required to prematurely harvest investments to service its debt obligations, and (e) limitations on the flexibility of the Fund to make distributions to investors or sell assets that are pledged to secure the indebtedness. There can also be no assurance that the Fund will have sufficient cash flow to meet its debt service obligations. As a result, the Fund's exposure to losses may be increased due to the illiquidity of its investments generally. Furthermore, there can be no assurance that indebtedness will be accessible by the Fund to refinance the Credit Facility at any time, and to the extent that it is available there can be no assurance that such indebtedness will be on terms favorable to the Fund, including with respect to interest rates.

#### Additional Risks Relating to Fund Investments

##### Mining and Processing

The portfolio company business operations are subject to risks and hazards inherent in the mining industry that may result in damage to the portfolio company's property, delays in its business and possible legal liability. Any of these can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs and expenditures, and production commencement dates. Such risks could also result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses and possible legal liability.

##### Mine Development

The economic feasibility analysis with respect to any individual project of a target portfolio company is based upon, among other things: the interpretation of geological data obtained from drill holes and other sampling techniques; technical studies (where applicable, and which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed); metals price assumptions; the configuration of the ore body; expected recovery rates of metals from the ore; comparable facility and equipment costs; anticipated climatic conditions; and estimates of labor, productivity, royalty, tax rates, or other ownership burdens and other factors.

The portfolio company's development projects are also subject to the successful completion of technical due diligence, the issuance of necessary permits and the receipt of adequate financing to bring the project to full production. Although technical due diligence is completed, actual operating results of its



development projects may differ materially from those anticipated. Uncertainties relating to operations are greater in the case of development projects.

#### No Assurance of Title or Boundaries

Title to the Portfolio's Company's properties may be challenged or impugned, and title insurance is generally not available. The Portfolio's Company's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the portfolio company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

#### Governmental and Environmental Regulation

The portfolio company projects are subject to extensive foreign laws and regulations, which include laws and regulations governing, among other things: exploration; development; production; exports; taxes; labor standards; mining royalties; price controls; waste disposal; protection and remediation of the environment; reclamation; historic and cultural resource preservation; mine safety and occupational health; handling; storage and transportation of hazardous substances; and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing the portfolio companies' mines and other facilities in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the Company would not proceed with the development of, or continue to operate, a mine.

#### Political and Economic Risks

Some countries in which the Fund may invest are engaged in programs to reform their political and economic systems toward more open market-oriented systems. However, there can be no certainty that these reforms will ultimately be successful, or that once implemented the changes will remain in place. The ultimate extent and timing of these reforms will likely proceed at a different pace in each country and will be influenced by both internal and external political and economic factors, the trade patterns and credit policies of trading partners, and other world developments. During much of the twentieth century, the target countries exhibited significant political and economic instability, high rates of inflation and interest, currency devaluation and periodic adverse government policies toward private business. Some of the target countries have, over the past few years, demonstrated improved economic and political stability, as well as promotion of business formation and development, but there can be no certainty that such trend will continue.

#### Quality of Information

Financial information at the enterprise level is often not as reliable as can be expected in other more developed regions. While there is a trend toward improved reporting of accurate financial results and increased enforcement of statutes concerning financial and tax reporting, and while steps will be taken to validate and, if necessary, reconstruct financial information on which investment decisions are made, there can be no assurance that the financial information can be made as reliable as in other regions.

All of these risks, and other important risks, are described in detail in the Memorandum. Prospective investors are strongly urged to review the Memorandum carefully and consult with their own financials, legal and tax advisers, before investing in the Fund.

### **Item 9 – Disciplinary Information**

There are no legal or disciplinary events that are material to a limited partner's or prospective limited partner's evaluation of Pandion's advisory business or the integrity of Pandion's management.

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

### **A. Registration as a Broker-Dealer or Broker-Dealer Representative**

Pandion is not registered, and does not have an application pending to register, as a securities broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser or an associated person thereof.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser**

Neither Pandion nor its management persons are registered as a futures commission merchant, commodity pool operator, or a commodity trading adviser.

### **C. Relationships Material to this Advisory Business and Possible Conflicts of Interest**

As discussed above, an affiliate of Pandion serves as the General Partner of the Fund. These affiliated advisers are under common control and subject to Pandion's Code of Ethics and Advisers Act compliance program pursuant to the requirements of the Advisers Act.

Qenta, Inc. provides payments and risk management services in the commodities space. Through its business vertical Responsible Gold, Qenta is also helping to bring best practices to miners and refiners of gold pursuant to a consulting agreement dated as of December 30, 2020 and entered into prior the Transaction. Consulting fees are not being paid at this time and all consulting fees owed Responsible Gold were equitized as part of the Transaction.

Qenta is headquartered in Houston, Texas, and has offices and operations on five (5) continents and more than 400 employees. It offers a high level of security and compliance and is governed by financial authorizations in Brazil, Dubai, Ghana, India, Luxembourg, Switzerland, and the US.

### **D. Selection of Other Advisors or Managers**

Pandion does not utilize nor select other advisors or third-party managers. All assets are managed by Pandion.

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

### **Code of Ethics**

The Code of Ethics (the “**Code**”) sets forth a standard of business conduct expected of all Pandion employees, reflecting the Firm's fiduciary obligations, supervisory requirements, and duty to company with applicable federal securities law. Employees are provided with a copy of the Code and are required to sign and acknowledge that they have read and understand it on an annual basis.

### **Personal Trading**

The Code requires personal trades to be reported to, and in certain cases pre-cleared by, the Chief Compliance Officer or his designee for all covered securities which include all debt and equity securities (including initial public offerings and private placements); options on securities, on indices and on currencies; limited partnership and limited liability company interests, including interest in private

investment funds (such as hedge funds), and interests in investment clubs; and foreign unit trusts and foreign mutual funds. Any exceptions to this policy must be expressly approved by the Chief Compliance Officer or his designee.

The Code requires all access persons to provide personal trading account information after commencing employment with the Firm. At the end of each calendar quarter, access persons are required to confirm that all brokerage accounts opened and all transactions that occurred during the preceding quarter have been reported.

### **Conflicts of Interest**

*Participation or Interest in Client Transactions.* As described in Items 5 and 6 above, the Firm and its affiliates are generally entitled to receive management fees from the Fund. Furthermore, employees may receive fees from the Funds' portfolio companies for performing consulting and other services for, or serving as directors (or similar positions) of, such companies. Each of the foregoing may represent a material financial interest in the securities that it recommends to its client accounts.

The Firm's ability to receive fees (and related expense reimbursements) from the Fund's portfolio companies for performing consulting and other services for, or serving as directors (or similar positions) of, such companies represents a potential conflict of interest since the Firm generally has substantial control or influence over such companies.

*Principal Transactions.* The Firm does not anticipate entering into principal transactions where the Firm or any affiliates purchase or sell any securities for its own accounts from or to the account of the Fund.

*Cross Transactions.* The Firm does not anticipate entering into cross transactions.

*Additional Conflicts.* The operations of the Fund may involve significant conflicts of interest among Pandion, the General Partner and any of its respective owners, principals, officers and affiliates, on the one hand, and the interests of the Fund and its limited partners, on the other hand. Neither Pandion, nor any of its principals, nor the General Partner are required to devote their full time to the Fund's business, and each devotes time to the investment and trading activities of other clients and affiliates, including the Fund, and to certain other outside business activities. As a result, these persons may have conflicts allocating their time between the Fund's business and such other activities. In addition, except for certain restrictions in the Credit Facility, there are no restrictions on the ability of Pandion, the General Partner or of any of its respective owners, principals, officers and affiliates to manage accounts of other clients following the same or different investment objectives, philosophies, and strategies as those used for the Fund. As a result, conflicts of interest will arise if such persons pursue investments within the scope of the Fund's investment strategy and guidelines.

In addition, Pandion, the General Partner and their respective owners, principals, officers and affiliates and certain portfolio companies in which any of the foregoing may have an interest are active participants in the commodities sector. As such, Pandion and the General Partner expect such persons from time to time to have relationships with the Fund's portfolio companies or affiliates of those portfolio companies. Such relationship could take any number of forms, including, without limitation, off-take, refining, trading and hedging arrangements. In addition, Pandion, the General Partner and any of their respective owners, principals, officers and affiliates and certain portfolio companies in which any of the foregoing may have an interest may provide financing to such portfolio companies or their affiliates.

As the foregoing situations may involve conflicts between the interest of the Fund, on the one hand, and Pandion, the General Partner or their respective principals, personnel, affiliates and certain portfolio companies in which any of the foregoing may have an interest, on the other hand, Pandion and the General

Partner have established internal policies to ensure that Pandion and the General Partner do not prefer the interests of such person to those of the Fund and any other clients of Pandion or the General Partner.

## **Item 12 – Brokerage Practices**

### **Trading and Best Execution**

Pandion focused on on making investments in portfolio companies through PMPAs that were negotiated, and the quality of transaction-related services varied greatly. However, Pandion sought best execution with respect to all types of Fund transactions, including equities, options, futures, foreign currency exchange, and any other types of transactions on behalf of the Fund. Pandion has the authority to select prime brokers, executing brokers and futures commissions merchants (collectively, the “**Brokers**”) for the Fund.

Factors that Pandion considers in recommending or utilizing a Broker may include (i) the price, (ii) the Brokers’ facilities, reliability and relative creditworthiness, (iii) the ability of the Broker to effect the transactions, (iv) the provision or payment by the Broker of the costs of brokerage or research products or services, and (v) the ancillary services provided by such Broker such as capital introduction services, the generation of investment ideas and research services provided. The applicability of specific criteria varies depending upon the nature of the transaction, the market in which it is executed, and the extent to which it is possible to select from among multiple Brokers. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Broker’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Pandion seeks competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions.

### **Soft Dollars**

Pandion does not expect to open or maintain soft dollar accounts with any brokers. Pandion currently does not receive research products or services from brokers in connection with its execution of trades, known as “soft dollar” arrangements.

### **Client Referrals**

In the private equity context, client referrals are not relevant to Pandion’s selection or recommendation of broker-dealers.

### **Directed Brokerage**

Pandion does not have directed brokerage arrangements.

### **Trade Aggregation**

Pandion currently manages only one Fund.

### **Trade Errors**

Neither the Firm nor any of its affiliates, will be liable to the Fund or investor in such Fund for any acts or omissions arising out of, or in connection with, the Fund, any investment made or held by the Fund or any governing agreement, unless such action or inaction was performed or omitted made in fraud, willful misconduct or gross negligence. As a result, any negative or positive results of trading errors generally will be borne by the Fund, rather than by the Firm or an affiliate, so long as the Firm or such affiliate adheres to the foregoing standard of care.

### **Item 13 – Review of Accounts**

Pandion's portfolio investments are regularly reviewed by the Portfolio Managers. The Principals meet periodically to monitor all operations, overall performance, financial performance, and strategic direction of each portfolio company owned by the Fund. The investments made by the Fund are generally illiquid and long-term in nature. Pandion closely monitors its investments and is actively pursuing strategic initiatives to improve the performance of assets and the increase of disposition opportunities.

The Fund is audited on an annual basis by an independent public accounting firm. The Firm generally provides Fund limited partners with (i) audited annual financial reports, (ii) unaudited quarterly financial reports, and (iii) annual tax information for the completion of tax returns. In addition to the information provided to all investors, Pandion may provide certain limited partners with additional information or more frequent reports that other limited partners will not receive, possibly enabling such limited partners to better assess the prospects and performance of the Fund. In addition, limited partners may be provided with information about Pandion and the Fund in response to questions and requests, and/or in connection with due diligence meetings and other communications, but such information will not be distributed to other limited partners and prospective limited partners who do not request such information. Each limited partner is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by Pandion is sufficient for its needs.

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

Pandion does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to clients. Pandion does not have any compensation arrangements with non-advisory personnel for client referrals.

### **Item 15 – Custody**

Pandion uses third party unaffiliated qualified custodians to hold the funds and securities (other than privately offered uncertificated securities with limited transferability) of the Funds in accordance with current SEC rules and regulations. Although Pandion is deemed to have custody of underlying assets of the Funds, Pandion relies upon the pooled investment vehicles exemption from reporting and surprise examinations. Accordingly, the Funds are subject to a year-end audit by an independent public accounting firm that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, and audited financial statements of each Fund will be provided to the investors of such Fund within 120 days of the end of the fiscal year.

### **Item 16 – Investment Discretion**

The Firm has entered into an investment management agreement with the Main Fund. The management authority granted to the General Partner pursuant to the LPA, provides the General Partner with full discretion to determine investments to be purchased and sold on behalf of the Main Fund and the terms of the related transactions. Limited partners in the Fund generally may not place any limit on the General Partner's authority beyond the limitations set forth in the Fund's governing documents.

### **Item 17 – Voting Client Securities**

While the securities evidencing the private equity investments made by the Fund are not typically the subject of proxies, there could be certain circumstances where the Firm, having discretionary authority, may be asked to vote the securities of the Fund on restructuring or other corporate matters. To the extent applicable, the Firm will ensure that a record of each securities position held by the Fund is maintained and, where any such vote is to occur, the Firm will ensure that all relevant information, disclosure materials and such proxies or consents as necessary for the Firm to be able to cast votes are delivered in a timely manner.

The Firm also determines whether there is, or appears to be, a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interests of the Fund. If the Firm determines that there is no material conflict of interest, then it will make the voting determination and take the required voting action. If the Firm determines that, due to a conflict of interest, the Firm is not capable of making an independence determination as to the voting decision, then the voting decision may be recommended by the General Partner's board of directors.

#### **Item 18 – Financial Information**

Pandion is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual and fiduciary commitments to its clients, nor has it been the subject to any bankruptcy proceeding.

#### **Item 19 – Requirements for State-Registered Advisers**

Not applicable