

**Part 2A of Form ADV: *Firm Brochure***



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This brochure provides information about the qualifications and business practices of Sourcerock Group LLC and its affiliates (“Sourcerock”, “we” or “us”). If you have any questions about the contents of this brochure, please contact us at 312-361-3360 or [info@sourcerocklp.com](mailto:info@sourcerocklp.com). 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.

Additional information about Sourcerock is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

There have been no material changes made to this brochure since our last filing dated March 31, 2022.

### **Item 3: Table of Contents**

Item 2: Material Changes .....	2
Item 3: Table of Contents .....	3
Item 4: Advisory Business .....	4
Item 5: Fees and Compensation .....	4
Item 6: Performance-Based Fees and Side-By-Side Management .....	5
Item 7: Types of Clients.....	5
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9: Disciplinary Information .....	9
Item 10: Other Financial Industry Activities and Affiliations .....	9
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	10
Item 12: Brokerage Practices .....	11
Item 13: Review of Accounts .....	13
Item 14: Client Referrals and Other Compensation.....	13
Item 15: Custody.....	13
Item 16: Investment Discretion.....	14
Item 17: Voting Client Securities.....	14
Item 18: Financial Information .....	14

#### **Item 4: Advisory Business**

Our Firm: Sourcerock Group LLC is a Delaware limited liability company founded in January 2020 and is principally controlled by Christian Zann and Thiru Ramakrishnan. Sourcerock's principal place of business is located in Denver, Colorado. Sourcerock is a privately held limited liability company.

*Our Advisory Services:* Sourcerock is an investment manager that invests in various sectors mainly through long and short investments in equities, but investments may also include fixed income securities, commodities, derivatives, and similar instruments. Sourcerock provides discretionary investment management services to pooled investment vehicles organized as private investment funds (the "Sourcerock Funds"), sub-advised private funds and other pooled investment vehicles (together with the Sourcerock Funds, "Funds") and in the future may offer similar management services to institutional clients through separately managed accounts (collectively with the Funds, "Clients"). Sourcerock does not provide financial planning services. Item 8 provides more information about our investment strategy. With respect to the Sourcerock Funds, a confidential private offering memorandum will be provided to each investor (each an "Investor").

**All discussion of the Funds in this brochure, including but not limited to their investments, the strategies used in managing the Funds, the fees and other costs associated with an investment in the Funds, and conflicts of interest faced by Sourcerock in connection with management of the Funds, are qualified in their entirety by reference to each Fund's respective governing documents.**

*Tailoring our Services:* Client accounts are managed within the guidelines and restrictions set forth in each Client's legal documents and within any respective regulatory guidelines or limitations.

As of December 31, 2022, Sourcerock Group LLC managed \$1,163,528,117 of regulatory assets on a discretionary basis.

#### **Item 5: Fees and Compensation**

As compensation for our advisory services to our Clients, we, or our affiliates, generally receive a management fee based on assets under management and performance-based compensation ("incentive allocation") as set forth in the applicable offering documents.

*Management Fees:* Management fees generally range from 0% to 1.50% per annum and are calculated and payable monthly in arrears.

*Incentive Allocation:* Clients are generally subject to an annual incentive allocation equal to 15% to 55% of net eligible profits, which is paid to Sourcerock or its affiliates. If the value of an investor's investment has decreased at the end of an accounting period, we will not charge an incentive allocation in respect of any subsequent increases until such increases have caused the investor's investment to exceed its previous highest value (its "High Water Mark").

We have the right to waive or reduce the management fee and/or incentive allocation with respect to any investor in a Sourcerock Fund or any other Client. Certain investors in the Sourcerock Funds and other Clients of Sourcerock may have different fee arrangements from those described above.

#### *Additional Fees and Expenses*

As part of our investment advisory services, we may invest Client assets in mutual funds (which include money market funds), Master Limited Partnerships ("MLPs") and Exchange-Traded Funds ("ETFs"). The fees that a Client pays to Sourcerock for investment advisory services are in addition to the fees and

expenses charged by mutual funds, MLPs or ETFs, (described in each such fund's prospectus) to their shareholders. These fees will generally include a management, custodial and transfer agent fee and other fund expenses.

Our fees are exclusive of, and Clients may incur certain other fees and expenses, including brokerage commissions, banking fees, interest, custodial fees, transaction fees, and other investment related costs and expenses, including research expenses (such as computer software and hardware, news and information services and licensing costs which benefit our clients). Brokerage commissions, custodial fees and other transaction expenses and fees are typically imposed by broker-dealers, custodians and other third parties. Please refer to Item 12 for a description of the factors we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

Clients may also be subject to organizational, operating, administrative, legal, audit and other professional expenses. Clients may also bear their share of expenses attributable to regulatory filings which are made with respect to the Client's holdings. In some instances, certain clients will be responsible for extraordinary expenses, including the expenses of litigation. Each Client will be responsible for their own taxes. Please refer to the applicable governing documents of a Client for more information.

Client costs and expenses are the responsibility of, and may be paid directly by, the applicable Client. However, where we have the ability to do so in respect of our Clients, we may pay Client costs and expenses directly out of our own account for and on behalf of the Client, and in those cases, we are entitled to reimbursement from the Client. Certain costs and expenses may be incurred for the benefit of, or be shared by, multiple clients which may include Clients which do not bear any responsibility for such costs and expenses. Such shared expenses generally will be allocated across the applicable Clients pro rata or in such other manner as we deem appropriate. We may directly bear the responsibility for the portion of such shared costs and expenses otherwise allocable to one or more Clients which benefit from such shared costs and expense.

It is critical that all Clients refer to the relevant operating documents for a complete understanding of how fees are deducted from their assets. The information contained herein is a summary only and is qualified in its entirety by the relevant Client's operating documents.

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

As discussed in Item 5, Sourcerock, or its affiliates, are entitled to receive performance-based compensation (incentive allocation) from our Funds. Performance-based compensation creates an incentive for us to make investments that are riskier, more speculative, or more highly levered than would be the case in the absence of performance-based compensation. It also creates an incentive for us to direct riskier, more speculative, or more highly levered investments to the Funds where we are entitled to receive higher performance-based compensation. In addition, where Sourcerock is responsible for valuing investments, performance-based compensation also creates an incentive for us to overvalue investments that lack market quotes. To mitigate these conflicts, we have developed and maintain valuation and trade allocation policies that seek fair and equitable treatment for all accounts over time.

## **Item 7: Types of Clients**

Sourcerock provides investment advisory services to pooled investment vehicles that operate as private investment funds where an affiliate of Sourcerock is the General Partner. Sourcerock is also a sub-advisor to other pooled investment vehicles. In the future Sourcerock may provide advisory services to Institutional Investors. An investor in a Sourcerock Fund must be an "accredited investor" within the meaning of

Regulation D under the Securities Act of 1933, and a “qualified client” within the meaning of the Advisers Act or a “qualified purchaser” within the meaning of the Investment Company Act of 1940. Each investor in the Sourcerock Funds is required to represent that their investment is being acquired for its own account, for investment, and not with a view to resale or distribution. Investments in the Funds are suitable only for sophisticated investors for whom an investment in the Fund does not constitute a complete investment program and who fully understand, are willing to assume, and have the financial resources necessary to withstand the risks involved in the Fund's specialized investment program and to bear the potential loss of their entire investment in those investments. The minimum initial investment in a Sourcerock Fund is \$1,000,000 but is negotiable on a case-by-case basis.

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

This section is intended to explain the essential elements of significant strategies employed by Sourcerock and the material risks involved with those strategies.

Sourcerock generally seeks capital appreciation as its primary investment objective, which it seeks to achieve through long and short investments in equities, fixed income securities, commodities, derivatives, and similar instruments in industry sectors that Sourcerock believes will benefit from market dislocations.

Sourcerock uses a fundamental investment process, which incorporates data-driven and macro trend analysis, to generate company-specific investment insights. This process seeks to identify winners and losers within the sector and to construct a risk adjusted portfolio that isolates company-specific factors. Sourcerock seeks to generate alpha, as defined by residual return, by emphasizing idiosyncratic returns and risk in the portfolio and by minimizing certain macro and/or broad market factors, including but not limited to systemic, style and commodity risk.

### ***Risks:***

Investing in securities involves risk of loss that clients should be prepared to bear. An investment in a Fund or separately managed account and the corresponding investment strategy involves significant risks, including those associated with a targeted industry and market. An investment in our strategy is speculative and involves a high degree of risk. An investor could lose all or a substantial amount of his or her investment.

The following is a summary of certain risks involved with Sourcerock’s investment strategy. **More detailed descriptions of a Sourcerock Fund’s investment strategies, methods of analysis and risks are included in the applicable Fund’s offering documents.**

Risks associated with the markets and companies in which Sourcerock invests include, but are not limited to:

- *Investment and Trading Risks.* Sourcerock may utilize such investment techniques as option transactions, margin transactions, short sales, limited diversification, leverage and forward contracts, which practices can, in certain circumstances, increase the adverse impact to which the Client may be subject.
- *Potential Loss of Investment.* There is a risk that an investment in the Fund will be lost entirely or in part. The Fund is not a complete investment program and should represent only a portion of an investor’s portfolio management strategy.
- *Market Risks in General.* The Portfolio Manager’s strategies are subject to some dimension of market risk, including, but not limited to, directional price movements, deviations from historical pricing relationships, changes in the regulatory environment and changes in market volatility. Certain strategies

to be employed by the Portfolio Manager have from time to time incurred sudden and dramatic losses as a result of such market events.

- The particular or general types of market conditions in which the Fund may incur losses or experience unexpected performance volatility cannot be predicted, and the Fund may materially underperform other investment funds with substantially similar investment objectives and approaches.
- *Energy Commodities Risk.* Markets for energy-related commodities, including, without limitation, electricity, coal, natural gas, crude oil and other petroleum products, can be susceptible to substantial price fluctuations over short periods of time and are particularly affected by political events, natural disasters, exploration and development success or failure, and technological changes. In addition, significant short-term price volatility can be caused by the inability to store electricity, tariff regulation and consumer advocacy.
- *Non-US Securities.* Investments in securities of non-U.S. issuers and securities denominated or whose prices are quoted in non-U.S. currencies pose, to the extent not hedged, currency exchange risks, as well as a range of other potential risks which could include expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. issuers. Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States.
- *Derivatives.* A Client may invest in, or use, derivatives to seek total return or for hedging purposes in a client's account. These are financial instruments that derive their performance, at least in part, from the performance of an underlying asset, index or interest rate. Derivative instruments include, without limitation, swaps, forward foreign currency exchange contracts, interest rate futures, options on securities and options on futures contracts. Derivatives can be volatile and involve various types and degrees of risk, depending upon the characteristics of the particular derivative and the portfolio as a whole. Derivatives may increase or decrease the level of risk, or change the character of the risk, to which it's exposed in much the same way to increase or decrease the level of risk, or change the character of the risk, of its portfolio by purchasing or selling specific securities.
- *Commodity Price Volatility Risk.* Companies operating in the energy sector may be affected by fluctuations in the prices of energy commodities, including, for example, natural gas, natural gas liquids, crude oil and coal, in the short- and long-term. Fluctuations in energy commodity prices would directly impact companies that own such energy commodities and could indirectly impact companies that engage in transportation, storage, processing, distribution or marketing of such energy commodities. Fluctuations in energy commodity prices can result from changes in general economic conditions or political circumstances (especially of key energy-consuming countries), market conditions, weather patterns, domestic production levels, volume of imports, energy conservation, domestic and foreign governmental regulation, international politics, policies of the Organization of Petroleum Exporting Countries ("OPEC"), taxation, tariffs, and the availability and costs of local, intrastate and interstate transportation methods. The energy sector as a whole may also be impacted by the perception that the performance of energy sector companies is directly linked to commodity prices.

- *Supply and Demand Risk.* Companies operating in the energy sector may be impacted by the levels of supply and demand for energy commodities. Companies operating in the energy sector could be adversely affected by reductions in the supply of or demand for energy commodities. The volume of production of energy commodities and the volume of energy commodities available for transportation, storage, processing or distribution could be affected by a variety of factors, including depletion of resources, depressed commodity prices, catastrophic events, labor relations, increased environmental or other governmental regulation, equipment malfunctions and maintenance difficulties, import volumes, international politics, policies of OPEC, and increased competition from alternative energy sources. Alternatively, a decline in demand for energy commodities could result from factors such as adverse economic conditions (especially in key energy-consuming countries), increased taxation, increased environmental or other governmental regulation, increased fuel economy, increased energy conservation or use of alternative energy sources, or increased commodity price.
- *Depletion Risk.* Companies engaged in the exploration, development, management or production of energy commodities face the risk that commodity reserves are depleted over time. Such companies seek to increase their reserves through expansion of their current businesses, acquisitions, further development of their existing sources of energy commodities, or exploration of new sources of energy commodities or by entering into long-term contracts for additional reserves; however, there are risks associated with each of these potential strategies. If such companies fail to acquire additional reserves in a cost-effective manner and at a rate at least equal to the rate at which their existing reserves decline, their financial performance may suffer. Additionally, failure to replenish reserves could reduce the amount and affect the tax characterization of the distributions paid by such companies.
- *Regulatory Risks Related to the Energy Sector.* The energy sector is highly regulated. Companies operating in the energy sector are subject to significant regulation of nearly every aspect of their operations by federal, state and local governmental agencies. Examples of governmental regulations which impact companies operating in the energy sector include, without limitation, regulation of the construction, maintenance and operation of facilities, environmental regulation, worker safety regulation, labor regulation, trade regulation and the regulation of the prices charged for products and services. Compliance with these regulations is enforced by numerous governmental agencies and authorities through administrative, civil and criminal penalties. Stricter laws or regulations or stricter enforcement policies with respect to existing regulations would likely increase the costs of regulatory compliance and could have an adverse effect on the financial performance of companies operating in the energy sector.
- *Investing in Distressed Securities.* The fact that certain of the companies in whose securities Sourcerock may invest are in transition, out of favor, financially leveraged or troubled, or potentially troubled, and may be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization or liquidation, means that their securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry, or specific developments within such companies.
- *Small and Medium Capitalization Companies.* Sourcerock may invest in the securities of companies with small to medium-sized market capitalizations. While Sourcerock and its affiliates believe such securities often provide significant potential for appreciation, the securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities

and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, “blue-chip” companies.

- *Force Majeure.* Global markets are interconnected, and events like hurricanes, floods, earthquakes, forest fires and similar natural disturbances, war, terrorism or threats of terrorism, civil disorder, public health crises, and similar “Act of God” events have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term and wide-spread effects on world economies and markets generally. Clients may have exposure to countries and markets impacted by such events, which could result in material losses.
- *Diversification.* Client accounts are not subject to any limits on diversification concentration. Accordingly, the Fund’s portfolio may become concentrated in particular companies or sectors, exposing the Fund to industry- or company-specific risk factors.
- *Valuation.* Sourcerock may invest in securities which are illiquid or very thinly traded. These investments may be extremely difficult to value accurately. There is a risk that a fund investor who withdraws all or part of his investment while the Funds holds such illiquid or thinly traded investments will be paid an amount less than he would otherwise be paid if the actual value of such investments is higher than the value designated by the Fund. Similarly, there is a risk that such fund investor might, in effect, be overpaid if the actual value of the illiquid or thinly traded investment is lower than the value designated by the Fund.
- *Cybersecurity Risk.* In connection with the continued use of the Internet and the dependence on computer systems to perform necessary business functions, Sourcerock may be susceptible to operational, information security and related risks due to the possibility of cyberattacks or other incidents. Cyber incidents may result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks or devices that are used to service our operations through hacking or other means for the purpose of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks (which can make a website unavailable) on our website. In addition, authorized persons could inadvertently or intentionally release confidential or proprietary information stored on our systems. Cybersecurity failures or breaches by our third-party service providers may cause disruptions and impact the service providers’ business operations, potentially resulting in financial losses, the inability to transact business and process transactions. We may incur substantial costs to prevent or address cyber incidents in the future. In addition, there is a possibility that certain risks have not been adequately identified or prepared for. Furthermore, we cannot directly control any cyber security plans and systems put in place by third-party service providers. Cybersecurity risks are also present for issuers of securities in which we invest, which could result in material adverse consequences for such issuers and may cause our investment in such securities to lose value.

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to Sourcerock’s business or the integrity of our management.

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

Sourcerock Fund GP LLC serves as the general partner of certain Sourcerock Funds. Sourcerock and its affiliates will devote as much of their time to the activities of a particular client as they deem necessary and appropriate. Sourcerock and its affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships, or from engaging in other business activities. These

activities could be viewed as creating a conflict of interest in that the time and effort of Sourcerock and its affiliates will not be devoted exclusively to the business of a particular client but will be allocated between the clients.

Sourcerock and its affiliates, as applicable, maintain certain exemptions from registration with the U.S. Commodity Futures Trading Commission as a commodity pool operator and/or commodity trading adviser with respect to certain clients that trade or are deemed to trade in commodity interests.

Sourcerock will occasionally enter into consulting agreements with investment advisers to provide non-discretionary investment research services on certain investment opportunities. Sourcerock does not consider these investment advisers to be clients. The investment adviser will be solely responsible for trading, execution and settlement of any purchase or sale of the investment opportunity, and, for the avoidance of doubt, will maintain sole discretion. Sourcerock may receive incentive or asset-based compensation regarding such investment opportunities it provides related to a consulting agreement. Sourcerock, in its sole discretion, will provide investment opportunities when it has made a determination that providing such opportunities will have no material impact on its Clients based on factors it deems relevant. Sourcerock is not registered as a broker dealer, nor is it affiliated with a broker dealer.

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

Sourcerock has a written Code of Ethics that is available upon request. A summary of the Code follows:

- Sourcerock and its employees shall:
  - conduct themselves with integrity and dignity and act in an ethical manner in their dealings with clients, professional associates, and the public;
  - acknowledge that there is an element of professional ethical conduct required that exceeds ethical standards in daily life; and
  - place the interests of the Funds and Clients first, and not take inappropriate advantage of their positions with Sourcerock for their own personal benefit. Sourcerock's policy prohibits any employee from acting upon, misusing, or disclosing any material, non-public information, known as insider information, and any violations of this policy will result in disciplinary action and/or termination.
- Sourcerock's policy does allow employees to maintain personal securities accounts provided any such investing by the employees or household family members is consistent with the firm's fiduciary duty to its clients. The employee must report all such account and reportable transactions to the firm's Chief Compliance Officer.
- Sourcerock's policy is to protect the confidentiality, integrity, and security of any non-public, personal information of its clients and prospects and to prevent unauthorized access to, or the use or disclosure of, such information.

Sourcerock's employees and their affiliated persons may come into possession from time to time of material nonpublic or other confidential information about public companies which, if disclosed, could affect an investor's decision to buy, sell or hold a security. Under applicable law, the employees and their affiliated persons are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Sourcerock.

Sourcerock, and its directors, officers, and employees, will invest directly in certain Sourcerock Funds. These investments represent a significant percentage of the Fund's assets. Such investments may create a

potential conflict of interest for Sourcerock to favor one Fund or over another. Sourcerock maintains a Trade Allocation Policy designed to seek fair and equitable treatment for all accounts over time.

## **Item 12: Brokerage Practices**

*Brokerage Selection & Best Execution:* Sourcerock has discretion to select the brokers to execute transaction for all Funds, and to negotiate and determine the commissions to be paid for such transactions. Sourcerock may consider a number of factors when selecting a broker or dealer for a transaction, including the broker's execution capability, the broker's responsiveness to Sourcerock, the broker's reputation and access to the global market for the security being traded, the efficiency with which the trade will be executed, the broker's integrity (ability to maintain confidentiality), the broker's knowledge of global regulatory practices, commission rates and the value of the research products and services that a broker lawfully may provide to assist Sourcerock in the exercise of its investment decision making responsibilities, the availability of soft dollar accrual, the broker's technology infrastructure and operations capabilities, and the expected market impact of the trade. The determining factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution for our clients. Sourcerock has no affiliated broker-dealer.

*Research & Other Soft Dollar Benefits:* As an adviser, Sourcerock has a fiduciary obligation to seek best execution for client trades and not to use Client assets for its own benefit at the expense of its Clients and fund investors. Congress, recognizing the value of research in managing client accounts, enacted Section 28(e) of the Securities Exchange Act of 1934 to allow advisers to use client commissions to acquire research and brokerage services in good faith that the amount of commission was reasonable in relation to the value of the research and brokerage services received. On all, or nearly all, executed trades, the Client pays brokerage commissions that are competitive, but which are higher than the lowest available rate available from an "execution only" broker, and Sourcerock receives research products and services in return. The "additional" commission paid for this research is commonly referred to as "soft dollars." There are two types of soft dollars, a) those used to acquire proprietary research products and services from the broker executing the trade ("bundled"), and b) those used to acquire research products and services from third parties ("unbundled"). Sourcerock utilizes both types of soft dollars. Sourcerock benefits from the use of client commissions to purchase research products and services because Sourcerock does not have to produce or pay for these research products or services. This creates a conflict of interest for Sourcerock because: a) Sourcerock has an incentive to trade with brokers providing research products or services, which may or may not be the broker providing the best price; and b) Sourcerock has an incentive to trade more frequently in order to accrue additional soft dollars.

Sourcerock Client accounts generate soft dollars in varying forms and amounts. Soft dollars are aggregated together and collectively used to pay for research products and services benefitting all accounts. Soft dollar benefits may not be received in proportion to the soft dollars generated by each account. The types of research services acquired with soft dollars typically benefit the Sourcerock research process on a broad basis, and as such is difficult to separately measure the benefit received by each individual account. In addition, the volume and nature of trading activities by account are not uniform, and so the amount of soft dollars generated by each account varies.

Sourcerock's Investment Committee oversees Best Execution and Soft Dollars, among other things. The Investment Committee meets on a periodic basis to review trading volume, best execution analysis and evaluates each approved broker for best execution.

*Proprietary Research Products and Services:* Sourcerock uses “bundled” soft dollars to obtain proprietary research products and services from most of the brokers we utilize. These brokers bundle trade execution and research services into the total trade commission cost. The types of proprietary products and services that Sourcerock receives directly from these brokers includes: 1) coordinating meetings or calls with management teams of companies of interest to Sourcerock, 2) coordinating trips for Sourcerock research analysts to visit companies and talk with management, most frequently outside of the U.S., 3) providing attendance at broker- sponsored conferences where Sourcerock research analysts hear company presentations and meet with company management, 4) access to allocations in limited offerings, such as IPOs, and 5) access to research analysts at the broker, and reports generated by such analysts. These products and services are not generally available for sale otherwise and can typically only be obtained by paying the broker via trade commissions.

*Third Party Research:* Sourcerock uses “unbundled” soft dollars accrued through trade commissions to obtain third party research products and services. On many Sourcerock trades, the trade commission paid includes both a commission paid to the broker for their services as well as an additional commission that is used to pay for “unbundled” research products and services offered by third parties. These “unbundled” soft dollar commissions may be accrued on trades executed through execution-only brokers as well as through brokers also receiving “bundled” soft dollars.

“Unbundled” soft dollars allow Sourcerock to select research products and services it feels are the most valuable to its research process and in turn most beneficial to its clients. Third party research products and services may include, among other things, data services, publications, databases, reports, and software.

On occasion, a product or service furnished to Sourcerock may have both research and non-research functionality. Under such circumstances, Sourcerock will make a reasonable allocation as to the portion of the product or service that provides assistance in the research process and can appropriately be paid for with soft dollars. The non-research portion of the product or service will be paid for by Sourcerock.

*Brokerage for Client Referral:* Client referral is not a consideration in selecting broker-dealers to execute securities transactions for the Funds. We do not compensate broker-dealers for distributing the Sourcerock Funds or products by directing brokerage transactions to them.

*Trade Aggregation & Allocation:* If Sourcerock believes the purchase or sale of a security is in the best interest of more than one of the client accounts it manages, Sourcerock may aggregate the securities to be purchased or sold into a single order (a “block trade”). Sourcerock will allocate securities purchased or sold in a block trade, as well as the expenses incurred in the transaction, on a pro-rata basis or in another manner that it considers equitable and consistent with its fiduciary obligation to clients. Other considerations such as investment objectives, strategy, current exposures (leverage), Client asset flows, risk parameters and order size, among others, are also considered by the Firm in determining an allocation. Each Client may not receive a pro-rata allocation of a block trade in instances where the trade is only partially filled. Sourcerock will seek to be fair and equitable in its allocation of trades, but there can be no assurance that the net result will be equal across Clients. Sourcerock will follow the same Trade Allocation policy when allocating and Initial Public Offering among its suitable and eligible portfolios within the relevant investment style/product.

*Cross Trades:* In the course of providing advisory services, Sourcerock may simultaneously recommend the sale of a particular security for one account and the purchase of the same security for another account if such recommendations are consistent with each client’s investment objectives and guidelines. Therefore, opportunities may arise for Sourcerock to effect “cross” transactions between client accounts. If Sourcerock determines that it is more cost effective and in the best interests of clients to cross securities between client

accounts, Sourcerock, acting as investment advisor and fiduciary to both buyer(s) and seller(s), may effect cross trades between client accounts consistent with its policies and procedures and in accordance with applicable law. Sourcerock receives no compensation from cross trades. ERISA accounts are not permitted to participate in cross trades. Trades for ERISA accounts may be placed after cross trades for a particular security have been made on behalf of non-ERISA accounts. Accordingly, trades for accounts that do not participate in cross transactions may be subject to price movements, particularly in volatile markets, and may receive a price that is less favorable than the price obtained in a cross transaction.

*Foreign Currency Transactions:* Sourcerock engages in foreign currency transactions to facilitate trading in or settlement of trades in foreign securities. It is Sourcerock's policy to seek best execution on behalf of our clients. In situations where it is market convention or operationally efficient, or where a client limits Sourcerock to trading foreign exchange with certain counterparties or requires Sourcerock to trade solely with the client's custodian bank, such limitations may impact our ability to obtain best execution for the client.

*Other Brokerage Practices:* In the event a trade error occurs, Sourcerock will seek to identify and correct the error as promptly as possible consistent with its Trade Error Policy and Procedures. The brokerage practices above apply generally to all Clients, but investors should carefully review the offering materials for the specific brokerage practices applicable to their investment and consult with their professional advisers before deciding whether to invest.

### **Item 13: Review of Accounts**

Client's investments are reviewed by the investment team on an on-going basis as a matter of practice and/or as trades are considered.

Client investments are monitored on a pre-trade and post-trade basis to ensure Sourcerock is adhering to a client's quantifiable investment strategies and are monitored for compliance with investment guidelines and regulations using an order management system. When the software rejects a proposed order due to a restriction, the portfolio is reviewed promptly by Compliance, Trading and/or the Portfolio Manager to determine if alternate instructions are appropriate.

The Sourcerock Fund limited partners have access to account statements monthly.

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

Sourcerock does not receive economic benefits from a non-client for providing investment advice or other advisory services to their clients.

While there are presently no such solicitation or referral relationships in place, Sourcerock may, in the future, enter into arrangements pursuant to which it compensates unaffiliated third parties for investor and client referrals. Such arrangements (as required) will be conducted in a manner that is consistent with applicable SEC rules and regulations, including No-Action Letters and other relevant guidance.

### **Item 15: Custody**

All clients' accounts and assets are held in custody by unaffiliated broker/dealers, banks or other independent "qualified custodians" (as defined in the SEC's custody rule). We do not maintain direct, physical custody of client assets.

As an affiliate of Sourcerock acts as general partner of certain Sourcerock Funds, we are deemed by the SEC to have custody of such Funds' assets because we serve in a capacity that provides us with access to

the assets. With respect to the Funds, Sourcerock maintains the Funds' cash and securities with a "qualified custodian" and provides investors in such Funds with an annual audited financial statement within 120 days of the end of such Fund's fiscal year. Such audits will be conducted by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules.

Institutional clients whose assets are managed through a separately managed account will receive account statements directly from the qualified custodian at which their account is held and do not receive account statements from Sourcerock. Where assets are held by a qualified custodian, we will notify clients in writing of the qualified custodian's name, address and the manner in which the assets are maintained at the time of investment and promptly following any changes to this information.

#### **Item 16: Investment Discretion**

Sourcerock generally has discretionary authority to manage the assets of all Client accounts. We observe investment limitations and restrictions that are outlined in each Client's investment management agreement or offering materials.

#### **Item 17: Voting Client Securities**

Sourcerock's authority to vote proxies is established through the delegation of discretionary authority under its investment advisory agreements. Therefore, unless a client specifically reserves the right, in writing, to vote its own proxies or to take shareholder action with respect to other corporate actions requiring shareholder actions, we will vote all proxies and act on all other actions in a timely manner as part of our full discretionary authority over clients in accordance with established policies and procedures.

Sourcerock will reach its voting decisions independently, after appropriate investigation. It does not generally intend to delegate its decision making or to rely on the recommendations of any third party, although it may take such recommendations into consideration. If Sourcerock determines a proxy may have an impact on a fund holding, Sourcerock will vote those matters on a case-by-case basis in a manner that Sourcerock believes is in the best interests of the applicable fund holdings.

When voting proxies, Sourcerock generally supports the recommendations of the company's board of directors. However, we ultimately vote for or against recommendations based on what we believe is in our clients' best interest. If Sourcerock determines that it has a conflict of interest, or the appearance of a conflict of interest in voting a security or proxy, Sourcerock will address matters involving such conflicts of interest on a case-by-case basis by consulting with Sourcerock's Chief Compliance Officer or designee, subject to legal, regulatory, contractual, or other applicable considerations.

A copy of our proxy voting policies and procedures, as well as specific information about how we have voted proxies (if applicable), is available upon written request.

#### **Item 18: Financial Information**

Sourcerock has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.