

NGP Energy Capital Management, L.L.C.

SEC File No. 801- 73799

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Form ADV Part 2A Disclosure Brochure

May 1, 2013

This brochure provides information about the qualifications and business practices of NGP Energy Capital Management, L.L.C. If you have any questions about the contents of this brochure, please contact us at compliance@ngptrs.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 NGP Energy Capital Management, L.L.C. is also available on the SEC's website at www.adviserinfo.sec.gov.

NGP Energy Capital Management, L.L.C. is a registered investment adviser with the United States Securities and Exchange Commission. Registration of an Investment Adviser does not imply any level of skill or training.

Our brochure may be requested by contacting the Compliance Department at compliance@ngptrs.com.

Item 2 – Material Changes

The Carlyle Group

On December 19, 2012, NGP Energy Capital Management, L.L.C. (“NGP ECM”) entered into a strategic partnership with The Carlyle Group L.P. (“The Carlyle Group”) whereby The Carlyle Group, through a subsidiary, acquired a 47.5 percent revenue interest in NGP ECM. Under the terms of the transaction, The Carlyle Group also has: a right to purchase an incremental 7.5 percent revenue interest in NGP ECM; a right to 7.5 percent of the carried interest in all future funds managed by NGP ECM; options to acquire CPIA Acquisition No. 1, LLC’s 40 percent interest in the carried interest in NGP Natural Resources X, L.P. and all future NGP ECM funds, and an option, exercisable in approximately 13 years, to purchase the remaining interest in NGP ECM for a formulaic purchase price in cash based upon a measure of the earnings of NGP ECM.

The Carlyle Group is a global alternative asset manager and is, through affiliates, separately registered as an investment adviser under the Investment Advisers Act of 1940, as amended (“Advisers Act”). The Carlyle Group does not control NGP ECM for purposes of the Advisers Act. Within this brochure, references to NGP ECM do not include The Carlyle Group or its subsidiaries unless expressly stated otherwise.

As of December 31, 2012, NGP ECM advises private funds with assets under management of \$9,814,820,043.

This Item 2 only discusses material changes since the firm’s initial Form ADV dated February 14, 2012. All information in this brochure is given as of the date set out on the cover page.

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Item 4 – Advisory Business

NGP Energy Capital Management, L.L.C. (“NGP ECM”) has specialized in making private equity investments in the natural resources sector for more than 24 years. The business now conducted by NGP ECM began with the formation of the first Natural Gas Partners investment fund, Natural Gas Partners, L.P., in November 1988. The founding management team members of the fund consisted of Kenneth A. Hersh, David R. Albin, John S. Foster and the late R. Gamble Baldwin. NGP ECM is owned by NGP Management Company, L.L.C., ECM Capital, L.P. and CPIA Acquisition No. 1, LLC.

NGP ECM is a private equity investment adviser that provides discretionary investment management and advisory services to private equity investors through pooled private equity funds which are exempt from registration under the Investment Company Act of 1940, as amended, and the Securities Act of 1933, as amended. These funds invest the majority of their assets directly in securities of privately-owned companies. Because the funds are pooled investment vehicles, in general each investor participates in each fund’s investments on the same terms and conditions, as set forth in the governing documents.

Management and advisory services for the funds, including all day-to-day operations and investing activities, are delegated by the general partners of the funds to NGP ECM. NGP ECM employs all members of its management team and personnel and it provides similar management and advisory services for each of the funds that are currently active.

The general partners of the funds managed by NGP ECM are not separately registered as investment advisers with the SEC on the basis that their activities and ownership substantially overlap with those of NGP ECM. They are “relying advisers” per applicable SEC no-action guidance. The general partners have undertaken to operate in conformance with all rules and regulations under the Advisers Act and the compliance policies and procedures maintained by NGP ECM on its and their behalf. For more information about these general partner entities, see Item 10 below.

NGP ECM also owns interests in related entities, including the following: a limited partnership interest in NGP Investment Advisor, L.P., a registered investment advisor that provides investment management services to NGP Capital Resources Company (NASDAQ: “NGPC”) (a publicly traded business development company that focuses on providing senior debt and mezzanine capital to small and mid-size private companies); an interest in the general partners of the NGP Energy Technology Partners funds (two private equity funds, managed by Energy Technology Partners, LLC, that invest growth equity capital in companies providing technology-related products and services to the oil and gas, power and alternative energy industries); an interest in the general partner and the manager of NGP Midstream & Resources, L.P. (a fund that made direct investments in the energy infrastructure, and mining and minerals industries); and an interest in NGP Income Co-Investment Opportunities Fund II, L.P., a fund that made co-investments alongside portfolio companies of NGP ECM funds. Principals of NGP ECM serve on the investment committees, boards of directors and/or advisory boards of the related funds.

Item 5 – Fees and Compensation

Management Fees

NGP ECM receives from each fund an annual asset-based management fee that is payable quarterly in advance. The general partners of the funds generally make capital calls on the funds’ investors for the amount of NGP ECM’s management fees and pay the amounts received to NGP ECM.

The management agreements may be terminated for cause. If a management agreement is terminated before the end of a quarter, NGP ECM will be entitled to the management fees earned up to the date of termination and will repay to the applicable fund the unearned portion, computed on the basis of the number of days elapsed, of such fees.

Performance-Based Fees

The general partners are also entitled to receive a carried interest allocation from each fund pursuant to the funds' limited partnership agreements. Such carried interest represents a portion of each fund's net investment profit and is allocated to the relevant general partner's capital account.

Other Fees

To the extent that NGP ECM, any of the general partners of the funds or any of their affiliates receive any financing fees, commitment fees, closing fees or other fees, such fees will be applied against management fees otherwise payable by the relevant fund pursuant to such fund's limited partnership agreement.

Expenses

Subject to the specific provisions of each fund's limited partnership agreement, each fund will generally pay all expenses (other than administrative and overhead expenses of NGP ECM and its general partner) attributable to the fund's activities, including but not limited to legal, auditing, consulting and accounting expenses, expenses associated with periodic investor meetings, expenses associated with the preparation of the fund's financial statements, tax returns and K-1 forms, other expenses associated with the acquisition, holding and disposition of fund investments (including brokerage costs), extraordinary expenses (such as litigation, if any), and expenses relating to transactions that are not consummated.

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

As described further in Item 5 above, the general partners are entitled to receive a carried interest allocation from each fund pursuant to the funds' limited partnership agreements. Such carried interest allocation entitles the general partner to a percentage of the net profits generated by the applicable fund, but it does not have to bear a same percentage of the net losses, if any, suffered by such fund. This provides a financial incentive to the general partner to make investments with a greater risk/reward profile than would be the case in the absence of the carried interest allocation. The code of ethics adopted by NGP ECM, which is described in more detail in Item 11 below, sets forth policies and procedures to address this conflict. Such policies and procedures require NGP ECM and its personnel to act in each fund's best interests.

As discussed in the "Allocations of Investment Opportunities" and "Cross Fund Investing" subheadings of Item 13 below, side-by-side management situations are rare given the nature of our funds. To the extent that any such potential situation arises, it would generally be subject to approval by the applicable funds' Advisory Boards, as provided in the funds' limited partnership agreements.

Item 7 – Types of Clients

NGP ECM's clients are a series of private equity funds. These funds consist of investors that are "Qualified Purchasers" and primarily include institutional investors such as endowments, foundations, pension plans, financial institutions, some high net worth individuals and their investment vehicles. The funds and their

investors that are subject to performance-based compensation must be “qualified clients” for Adviser Act purposes.

There is not a formal minimum commitment amount of an investor in a fund, but subscriptions of at least \$5 million are generally sought by the general partner.

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

Focused Investment Approach

Each fund will target investments in businesses in the natural resources industries. All investments made by a fund must satisfy the same investment criteria, and no specified minimum amount of a fund is allocated to any particular industry. Consistent with the prior funds, NGP ECM intends to invest the majority of a fund’s capital in North America, but will be opportunistic globally should quality transactions arise.

Each fund is designed to draw upon the complementary strengths, experience and investment performance of NGP ECM and the management team. In addition, the funds will be able to draw upon the experience of NGP’s Strategic Advisory Council.

Investment decisions will be reviewed at multiple levels within each fund. An Investment Process Committee, comprised of a broad cross section of investment professionals, will review potential investment opportunities being considered for a fund, provide guidance to the fund’s professionals pursuing these opportunities and determine which investments to recommend for consideration and approval of the Investment Committee. The Investment Committee, comprised of all Managing Partners, Senior Partners, Senior Managing Directors, and Managing Directors, must approve each investment of a fund. Approvals of the Investment Committee require the affirmative vote of all of NGP ECM’s Managing Partners, plus a majority of all members of the Investment Committee.

Investment Strategy

NGP ECM’s goal is to generate superior returns through investments in high-quality companies in the natural resources sector without having to rely on timing its investments in conjunction with unpredictable commodity price and capital market cycles. NGP ECM’s strategy to achieve this goal is to consistently apply financial structures and governing principles that have been developed and tested since 1988.

These include:

- *Quality People:* NGP ECM carefully selects management groups that operate within a well defined segment of the natural resources sector.
- *Alignment:* NGP ECM structures investments to ensure alignment of management’s interests with those of NGP ECM.
- *Well-Managed Growth:* NGP ECM emphasizes the equity growth of portfolio companies through the effective reinvestment of cash flow and use of conservative financial leverage to acquire and develop assets.
- *Balance:* NGP ECM seeks to construct a balanced portfolio, diversified by geography and commodity, and assembled over a prudent time period.

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- *Risk Management:* NGP ECM actively manages risk through commodity price hedging by portfolio companies of the funds, diversification of fund investments and careful attention to operating risk mitigation procedures.
 - *Prudence:* NGP ECM avoids investing in industry “fads” or relying upon market timing to generate returns. Rather, it seeks to invest in portfolio companies that are able to generate value and take advantage of multiple exit opportunities without being solely dependent upon external factors over which they have no control.

NGP ECM believes identifying portfolio company management teams that are able to flourish under these principles is the most important factor in generating attractive returns regardless of the commodity cycles.

Risk of Loss

All investments involve a risk of loss that investors should be prepared to bear. A fundamental premise of private equity investing is the acceptance of illiquidity and a higher degree of risk in expectation of higher returns. Certain of the more significant risks shared by most funds are discussed briefly below:

- *Illiquidity and Long Holding Period.* Investors have no redemption rights, and their ability to sell their partnership interests to third parties might be limited. The funds typically have terms exceeding ten years. Investors therefore should be financially able to hold their investments for the long term.
- *Lack of Diversification.* The portfolios of the funds typically hold fewer discrete investments than managed public securities portfolios such as mutual funds. Furthermore, the funds have focused investment objectives and, accordingly, have concentrated exposure to particular sectors or geographic areas. The ability of a fund to make direct investments further increases its portfolio concentration.
- *Lack of Ability to Participate; Key Personnel.* Investors have no right or power to participate in the management or control of the business of the fund and thus must depend solely upon the ability of NGP ECM to make investments and otherwise manage the enterprise. Investors must rely on the abilities and background of NGP ECM’s management team and personnel; accordingly, the loss of key personnel could have an adverse impact on a fund’s performance.
- *Unspecified Use of Proceeds; Limited Recourse.* Investors in a fund generally will not know what specific investments will be made at the inception of the relationship. Investors have limited rights to withdraw from a fund, cease to make further capital contributions or terminate NGP ECM as manager, even if such investors are dissatisfied with the investments made or investment results. The governing documents of the funds contain provisions limiting NGP ECM’s liability to investors, and provide for broad indemnification of NGP ECM against liability, all subject to the requirements of applicable law, including the federal securities laws.
- *Investments Outside the United States.* Investments by the funds in companies based outside the United States involve additional risks, including: currency fluctuation; less robust banking and other financial systems; less reliable financial reporting; less developed judicial and regulatory regimes; potential for restrictions on repatriation of investments or confiscatory taxation; and potential political or economic instability.
- *Management Fees and Expenses.* The funds bear management fees and expenses. The investment return on the underlying investments therefore must be sufficient to offset both levels of fees and expenses before investors will earn a positive investment return. In addition, to the extent a management fee is based on committed rather than invested capital, investors pay management fees on both called and uncalled capital, resulting in high effective fee rates (i.e., fees on invested capital) at the beginning of an investment when little

capital has been called and invested. Because of the extensive due diligence and ongoing management activity required for many private equity investments, expenses aside from management fees are generally higher than those of portfolios invested in public markets.

- *Certain Conflicts of Interest.* NGP ECM is engaged in the management of a number of funds which may give rise to conflicts of interest. The investment objectives of previously-existing or later-formed funds could overlap. To the extent an investment opportunity is appropriate for multiple funds, NGP ECM will allocate opportunities to each fund for which the investment is suitable in a fair and equitable manner in accordance with its then existing allocation policies and applicable governing documents. See *Cross-Fund Investing* under Item 11 – Code of Ethics. This allocation of opportunities may result in a fund participating in an investment to a lesser extent than would otherwise have been the case.

- *Risks Related to the Energy Industry.* The companies in the energy industry in which the funds invest are inherently subject to numerous risks arising from their operations. For example, companies involved in the production of oil and natural gas face risks that include, without limitation: (i) the uncertainty of estimating hydrocarbon reserves and their value; (ii) the risks of conducting drilling operations (including risks of substantial losses to properties, bodily injury and environmental damage arising from operations that do not proceed as planned and the risk of failing to find commercially productive reserves); (iii) risks associated with the marketing of hydrocarbon production; (iv) risks of compliance with increasingly burdensome environmental regulations and other regulations governing the production of natural resources; (v) geopolitical risks associated with governments who play significant roles in the production and distribution of natural resources; and (vi) risks of catastrophic and other force majeure events.

- *Risks Related to the Water Resources & Services Industry.* The existence of desirable investment opportunities for the funds in the water resources and services industry is dependent, among other things, on an increase in demand for freshwater over the life of a given fund and a corresponding decline in the availability of traditional freshwater sources. A number of factors beyond the control of the funds, such as increased rainfall or a reduction in pollution, could impact the supply of freshwater and limit the number of attractive investment opportunities in this industry.

- *Risks Related to the Food & Agriculture Industry.* The existence of desirable investment opportunities for the funds in the food and agriculture industry is dependent on the currently anticipated growth in global population and a related increase in demand for food and agricultural products. Growth in population, per capita consumption and changes in diet cannot be predicted with any certainty. In addition, asset valuations in the food and agriculture industry may be highly volatile, due to reasons such as commodity price volatility and the uncertainty of global natural disasters and demographic shifts over the life of a fund.

Item 9 – Disciplinary Information

None.

Item 10 – Other Financial Industry Activities and Affiliations

NGP ECM is not currently, nor does it intend to, become registered as a broker-dealer, a futures commission merchant, a commodity pool operator, or a commodity trading advisor for any of the foregoing entities. No NGP ECM investment professional is, or intends to become a registered representative or an associated person of the foregoing entities.

CPIA Acquisition No. 1, LLC, a subsidiary of Barclays Bank PLC, owns a passive interest in NGP ECM and G.F.W. Energy VII, L.P., G.F.W. Energy VIII, L.P., G.F.W. Energy IX, L.P., and G.F.W. Energy X, L.P. Barclays has no involvement in the governance or operation of NGP ECM or its funds.

The Carlyle Group entered on December 19, 2012 into a strategic partnership with NGP ECM, whereby The Carlyle Group, through a subsidiary, acquired a 47.5 percent revenue interest in NGP ECM. Under the terms of the transaction, The Carlyle Group also has: a right to purchase an incremental 7.5 percent revenue interest in NGP ECM; a right to 7.5 percent of the carried interest in all future funds managed by NGP ECM; options to acquire CPIA Acquisition No. 1, LLC's 40 percent interest in the carried interest in NGP Natural Resources X, L.P. and all future NGP ECM funds, and an option, exercisable in approximately 13 years, to purchase the remaining interest in NGP ECM for a formulaic purchase price in cash based upon a measure of the earnings of NGP ECM. The Carlyle Group has no involvement in the governance or operation of NGP ECM or its funds and does not control NGP ECM for purposes of the Advisers Act. In connection with this transaction, NGP ECM's Chief Executive Officer will serve as a senior advisor to The Carlyle Group regarding the development of its global natural resources and related investments strategy. The Carlyle Group obtained the right to appoint one (of several) investment committee members for future funds managed by NGP ECM. The strategic partnership between the firms also includes, among others, a broad agreement to cooperate in marketing NGP ECM's products.

G.F.W. Energy VII, L.P. is the general partner of Natural Gas Partners VII, L.P., which is one of the funds managed by NGP ECM. The limited partnership interests of G.F.W. Energy VII, L.P. are primarily owned by the owners of NGP ECM.

G.F.W. Energy VIII, L.P. is the general partner of Natural Gas Partners VIII, L.P., which is one of the funds managed by NGP ECM. The limited partnership interests of G.F.W. Energy VIII, L.P. are primarily owned by the owners of NGP ECM.

G.F.W. Energy IX, L.P. is the general partner of Natural Gas Partners IX, L.P. and NGP IX Offshore Fund, L.P., a Delaware limited partnership, each of which is a fund managed by NGP ECM. The limited partnership interests of G.F.W. Energy IX, L.P. are primarily owned by the owners of NGP ECM.

G.F.W. Energy X, L.P. is the general partner of NGP Natural Resources X, L.P. and NGP Natural Resources X Parallel Fund, L.P., each of which is a fund managed by NGP ECM. The limited partnership interests of G.F.W. Energy X, L.P. are primarily owned by the owners of NGP ECM.

NGP Income Co-Investment II GP, L.L.C. is the general partner of NGP Income Co-Investment Opportunities Fund II, L.P. which is one of the funds managed by NGP ECM. NGP Income Co-Investment II GP, L.L.C. is wholly-owned by NGP ECM.

NGP Capital Resources Company (NASDAQ: "NGPC") is a financial services company organized in July 2004 to invest primarily in small and mid-size private companies, which are generally defined as companies that have net asset values or annual revenues of less than \$500 million and are not issuers of publicly traded securities. NGPC's investment objective is to generate both current income and capital appreciation primarily through debt investments with certain equity components. NGPC is classified as a business development company under the Investment Company Act of 1940. In addition, for tax purposes NGPC has elected to be treated as a regulated investment company under the Internal Revenue Code of 1986 (the "Code"), as amended. NGP ECM has representatives on NGPC's board of directors, but does not have involvement in the company's day-to-day management. NGP ECM owns a 99.9% limited partner interest in NGP Investment Advisor, LP ("NGPIA"), which is a registered investment adviser that provides advisory services to NGPC. NGP ECM has representatives on NGPIA's investment committee.

Energy Technology Partners, LLC (“ETP”) is the manager each of NGP Energy Technology Partners, L.P. and NGP Energy Technology Partners II, L.P. The ETP funds invest growth equity capital in companies providing technology-related products and services to the oil and gas, power and alternative energy sectors. NGP ECM has the right to appoint representatives to the investment committee of each ETP fund. As a result of such representation, NGP ECM’s approval is required for new investments by ETP on behalf of the ETP funds; however, NGP ECM has no control over ETP’s day-to-day management and has no say on investment exit decisions. NGP ECM owns a 50% interest in the general partners of each ETP fund. ETP is registered as an investment adviser with the SEC.

NGP MR Management, LLC (“NGP MR”) is the manager of NGP Midstream & Resources, L.P. (“M&R”). NGP MR is a “relying adviser” of the SEC registered investment adviser EMG Fund II Management, L.P. d/b/a The Energy and Minerals Group per applicable SEC no-action guidance. M&R made direct investments in selected areas of the energy infrastructure, and mining and minerals industries. M&R’s investment period has terminated, because it has committed its available investment capital. Consequently, it is not making new investments and is currently managing its existing portfolio investments. NGP ECM owns a 50% interest in the general partner of M&R and a 50% interest in NGP MR. NGP ECM has the right to appoint a representative to M&R’s investment committee. Unanimous investment committee approval was required for new M&R investments; however, NGP ECM has no control over M&R’s day-to-day management or any investment exit decisions. NGP MR is registered as an investment adviser with the SEC.

Item 11 – Code of Ethics

NGP ECM has adopted a Code of Ethics for all supervised persons, as defined for Advisers Act purposes, of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The firm’s Code of Ethics includes provisions relating to the confidentiality of fund information, a prohibition on insider trading, reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All NGP ECM employees must acknowledge the terms of the Code of Ethics annually, or as amended. Investors may request a copy of the firm’s Code of Ethics by contacting NGP ECM Investor Relations at Investor.Relations@ngptrs.com.

Allocations of Investment Opportunities

The governing documents of the funds managed by NGP ECM generally provide that a new fund will not begin investing until a prior fund has exhausted its investment capacity, with the result that new investment opportunities are not required to be allocated among multiple funds. To accommodate investment by non-United States partners, a fund will generally establish a parallel investment entity or other alternative investment entities to facilitate such investments. The administration and allocation of investments among these entities will be made in accordance with the governing documents of the fund and such entities.

Conflicts of Interest

The governing documents of the funds managed by NGP ECM generally provide that key management members for the fund must offer to the fund each investment opportunity that involves an investment within the parameters specified for the fund.

Advisory Board Approvals

An Advisory Board is generally established for each fund. Each Advisory Board will include representatives of investors that are not affiliated with NGP ECM. While the Advisory Board will not have a direct role in

management of the funds, it may be called upon to resolve potential conflicts of interest presented to it by the fund's general partner, such as a cross-fund investment, described below. NGP ECM prepares materials and presentations for the Advisory Board with respect to any matters requiring their approval and the consents of members required to be received are generally documented via written or email communications.

Cross-Fund Investing

With limited exceptions as set forth in the funds' governing documents, without prior approval of the Advisory Board, a fund will not purchase any interest in an entity or property in which another fund owns an interest or purchase a security from another fund or sell a security to another fund.

Co-Investment Opportunities

The governing documents of the funds generally provide that the general partner has sole discretion to offer co-investment opportunities in a potential investment to any person (excluding employees of NGP ECM). When making decisions to offer co-investments, NGP ECM will consider, among other factors, the specific provisions of the fund's governing documents, the remaining investment capacity of the fund, concentration considerations and the characteristics of the specific investment.

Conflicts with Portfolio Investments

Officers, employees and other affiliates of NGP ECM may serve as directors (or in a similar capacity) of certain portfolio companies and, in that capacity, will be required to make decisions that they consider to be in the best interests of such portfolio companies and their equity holders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interest of the portfolio company may not be in the best interests of the funds, and vice versa. Accordingly, in these situations, there will be conflicts of interests between such individual's duties as an officer, employee or affiliate of NGP ECM and such individual's duties as a director of the portfolio company.

The Funds' Investments May Not Be In the Best Interests of Some Investors

Each fund is likely to have a diverse range of investors that may have conflicting interests that stem from differences in investment preferences, domicile, tax status and regulatory status. The investment committee of each fund will attempt to consider the objectives of such fund as a whole when making decisions with respect to the selection, structuring and sale of portfolio investments, but it is inevitable that such decisions may be more beneficial for some investors over others.

Item 12 – Brokerage Practices

NGP ECM, by nature of its private equity focus, invests primarily in private companies. On occasion, however, NGP ECM takes portfolio companies public or merges portfolio companies into public companies for cash and/or publicly-traded securities. As part of an exit strategy, any publicly-traded securities acquired on behalf of a fund may be sold in the public markets.

When NGP ECM decides to transact in publicly-traded securities in the open market as part of a portfolio company acquisition or exit strategy, investment professionals will evaluate strategies for trading in such public securities. Strategies may include holding securities over the short or long term, selling securities over the short or long term, or distributing securities to investors, among other things. The investment

professionals will seek “best execution” for any open market purchase or sale of securities in connection with the implementation of these strategies.

“Best execution” is not synonymous with lowest brokerage commissions or other transaction costs. In determining whether a particular broker-dealer is likely to provide best execution in a particular transaction, NGP ECM takes into account all factors that it deems relevant to the broker-dealer’s execution capability, which may include, but not be limited to the following:

- Listed bids and asks;
- Market making activities of the broker-dealer in the securities;
- The opportunity for price improvement;
- Transaction costs;
- Anonymity;
- Liquidity;
- Speed of execution;
- Expertise with difficult securities;
- Trading style and strategy;
- Geographic location; and
- Frequency of errors.

Soft Dollars

Section 28(e) of the Securities Exchange Act of 1934 provides a safe harbor that allows an investment adviser to pay more than the lowest available transaction cost in order to obtain brokerage and research services (commonly referred to as a “soft dollar” arrangement).

NGP ECM may receive products or services from broker-dealers and other counterparties that to the company’s knowledge are generally made available to all institutional clients doing business with these counterparties, provided that these products and services are made available to NGP ECM on an unsolicited basis and without regard to transaction costs paid by the funds or the volume of business the company directs to these counterparties.

Item 13 – Review of Accounts

Portfolio management is a dynamic activity that requires ongoing analysis of the funds’ holdings. NGP ECM’s investment professionals will be mindful of the funds’ stated investment objectives when evaluating and approving investment recommendations and will always seek to comply with any stated investment restrictions. NGP ECM has instituted a committee structure with both regular and *ad hoc* meetings as necessary, to facilitate the sourcing, evaluating, execution and monitoring of investments.

Research and Due Diligence

The Investment Process Committee is charged with organizing business development and new deal processing activities of the funds. The Investment Process Committee generally meets every other week to discuss potential deals and will assign a group of investment professionals (a “Deal Team”) to each potential deal under serious consideration. A Deal Team leader is responsible for supervising the activities of members of the Deal Team and ensuring that appropriate due diligence is conducted. Deal Teams will periodically report to, and seek guidance from, the Investment Process Committee regarding the results of their research and due diligence and will prepare such analysis and memorandums or other written materials relating to a

proposed investment as they determine to be useful for the committee to evaluate the risks and merits of the opportunity.

Investment Review and Approval

The Investment Committee is charged with providing final approval for all fund investments. The Investment Committee meets as necessary to consider investment proposals that have been recommended by the Investment Process Committee. An Investment Committee memorandum is prepared for each new investment and will be signed by members of the Investment Committee upon its approval of each investment. Investment Committee memorandums generally summarize key factors considered in making an investment decision and will typically be supplemented with relevant research and due diligence documentation, such as management presentations, reserve reports, financial statements, market studies, financial models, term sheets and other information, as applicable.

Portfolio Monitoring

The Monitoring Committee is charged with organizing and directing the monitoring activities for all of the portfolio companies of the funds. The Monitoring Committee generally meets every other week to discuss any material portfolio company developments and will assign a group of investment professionals (a “Monitoring Team”) to each portfolio company. A Monitoring Team leader is responsible for supervising the activities of members of the Monitoring Team and ensuring that appropriate ongoing monitoring of the portfolio company is conducted. Monitoring Teams will periodically report to the Monitoring Committee regarding material developments involving portfolio companies.

NGP ECM reviews the funds’ portfolios in conjunction with its periodic preparation of unaudited account statements, which are delivered to investors on a quarterly basis. Additionally, NGP ECM prepares quarterly letters containing summaries of fund holdings and transactions that are provided to investors in conjunction with their quarterly account statements. Portfolios are also reviewed on an annual basis in conjunction with the preparation of fund audited financial statements by the fund auditor. In addition, fund portfolios are reviewed with investors at least once per year, typically at an annual meeting of investors. Further, each fund’s portfolio will be reviewed by the Advisory Board in conjunction with their annual review and approval of the valuation of the portfolio.

Item 14 – *Client* Referrals and Other Compensation

Not Applicable.

Item 15 – Custody

NGP ECM will conduct all business operations in such a way that the funds’ cash and securities, other than privately offered non-certificated securities, will be preserved in the safekeeping of independent qualified custodians. An independent public accountant audits the funds annually, and the audited financial statements are distributed to the investors of the advised funds.

Item 16 – Investment Discretion

NGP ECM, through the general partners of the funds, has discretionary authority to determine the securities or other investments and the amounts thereof to be bought or sold by the funds. Such authority is subject to

the limitations set forth in the limited partnership agreements of the funds. Such limitations include restrictions on certain securities or types of securities, geographies and leverage.

Item 17 – Voting *Client* Securities

It is NGP ECM's policy to exercise proxy votes on behalf of the funds in the best interest of the funds while balancing and observing any applicable legal duties (including fiduciary) and contractual obligations. When voting fund proxies, NGP ECM will take into consideration all relevant factors, including without limitation, acting in a manner that NGP ECM believes will (i) maximize the economic benefits to the funds and (ii) promote sound corporate governance by the issuer. Clients may obtain a copy of such voting policies and procedures upon request at the phone number or email address shown on the cover of this brochure.

NGP ECM maintains records in connection with each proxy vote in accordance with the Advisers Act.

Item 18 – Financial Information

No management fees are payable to NGP ECM by the funds more than six months in advance. As such, under relevant SEC rules NGP ECM is not required to include its balance sheet for the most recent fiscal year or disclose information about its financial position.

Nonetheless, NGP ECM is not aware of any financial conditions that are reasonably likely to impair its ability to meet its contractual obligations to the funds. NGP ECM has never been the subject of a bankruptcy petition.

Item 19 – Requirements for State-Registered Advisers

Not Applicable.