

ITEM 1 – COVER PAGE

LUMINUS MANAGEMENT, LLC



1700 Broadway, 38th Floor
New York, NY 10019

March 2015

**PART 2A OF FORM ADV
(THE “BROCHURE”)**

This Brochure provides information about the qualifications and business practices of Luminus Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 615-3450. 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.

Luminus Management, LLC is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information about Luminus Management, LLC is available on the SEC’s website at: www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

This Brochure contains material changes to the Form ADV Part 2 Amendment filed by Luminus Management, LLC on March 31, 2014 (the “Amended Brochure”). Immediately below is a discussion of such material changes. Such discussion sets forth only material changes to the Amended Brochure.

This Brochure has been revised to update the clients and amount of client assets managed by Luminus Management, LLC.

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ITEM 4 – ADVISORY BUSINESS

Luminus Management, LLC (the “Management Company”) manages assets on a discretionary basis on behalf of private pooled investment vehicles (the “Funds”). The Management Company operates as a single advisory business together with its affiliated general partners, Polaris Energy GP, LLC and Luminus Special Opportunities I Partners, LLC (each, a “General Partner” and together with the Management Company and their affiliated entities, “Luminus” or the “Company”), which are also registered under the Investment Advisers Act of 1940 pursuant to the Management Company’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners.

Luminus presently provides investment advisory services to Luminus Energy Partners Master Fund, Ltd., Luminus Energy Partners QP, LP, Luminus Energy Itineris, LP, and Luminus Energy Partners, Ltd. (the “Energy Partners Funds”); and Luminus Special Opportunities I PIE, LP, Luminus Special Opportunities I PIE Master, LP, Luminus Special Opportunities I Onshore, LP, and Luminus Special Opportunities I Master Fund, Ltd. (the “LSO Funds”).

Investments in the Funds are limited to qualified clients and qualified purchasers as defined by Rule 205-3(d)(1) and Section 3c-7 under the Investment Advisers Act of 1940 and Investment Company Act of 1940 respectively.

Luminus does not provide investment advice to individual investors in the Funds. Rather, Luminus provides investment advice to the Funds.

Luminus' investment strategies generally focus on public companies within the power, energy, utilities and related industries and sectors. The Funds' advisory agreements provide Luminus with discretionary investment authority and, as such, Luminus utilizes a wide range of securities and related instruments to express its investment views. Investments utilized in the management of the Funds' portfolios include without limitation long or short positions in public equities, bonds, notes, convertible securities, debt participations, options, warrants, derivatives, and private equities, among others.

As of December 31, 2014, Luminus' regulatory assets under management ("RAUM") were approximately \$5.4 billion. Luminus was founded in 2002 and is principally owned by the Rustic 2011 Trust and the Luminus 2002 TS Trust. Mr. Radion Segal is the trustee of both such trusts.

Please refer to the Funds' private placement and offering memoranda for more detailed information regarding the topics discussed in this Brochure.

ITEM 5 – FEES AND COMPENSATION

The Energy Partners Funds pay Luminus a management fee of 2% per annum (monthly in advance) based on the market value of each investor's capital account balance. The LSO Funds pay Luminus a management fee of 1.25% per annum (quarterly in advance) based on the market value of each investor's capital account balance.

In addition to management fees, the Funds pay performance fees equal to 20% of each investor's profits subject to a high water mark. Performance fees for the Energy Partners Funds are crystalized and due as of the end of the Funds' fiscal year or as of an investor's redemption date. The LSO Funds pay a performance fee, typically 20%, of each distribution of net LSO Fund profits, generally subject to the return of capital to LSO Fund investors in addition to a certain rate of return on invested capital.

Performance fee arrangements may create an incentive for the Company to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. Certain of the assets held in the Funds' portfolios are fair valued by Luminus. Fair valued securities create an inherent conflict of interests since Luminus' fees are based on the value of such assets. In addition, calculation of performance fees earned is, in part, based on unrealized gains that may never materialize.

Further, each Fund will bear its own costs and expenses. The Funds are responsible for fees and out-of-pocket expenses of their respective third-party administrators and prime brokers. In addition, each of the Funds will be responsible for its initial and ongoing costs and expenses associated with their operations including without limitation, organizational expenses, brokerage commissions, research expenses, quotation and valuation expenses, general legal expenses and legal expenses incurred for the negotiation and/or review of side letters, accounting and auditing expenses, and investment-related consultants and other service provider expenses, investment-related travel costs, expenses incurred with respect to the preparation, duplication and distribution of offering documents, annual reports and other financial

information, other offering expenses, other operational expenses and extraordinary expenses. The Funds may invest in money market funds and index-based investment vehicles (ETFs, iShares, SPDRs). In such cases, the Funds pay a separate layer of management, trading, and administrative expenses.

Fees and expenses are generally paid directly from the Funds' brokerage/custodial accounts.

Notwithstanding the general fee structure described above, Luminus has negotiated different fee structures with certain investors. Such negotiations and agreements are governed by separate agreements commonly referred to as "side letters". The side letter provisions, which are not found in the Funds' organizational or offering documents, entitle certain investors to different terms and conditions related to fees, reporting, liquidity, and notifications, among other terms. The Company reserves the right, but does not have the obligation, to negotiate or waive fees as well as other investor terms and conditions.

If for any reason an investor wishes to redeem from the Funds, the investor must provide prior written notice in accordance with the terms of governing documents of the relevant Fund.

ITEM 6 – PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Performance Based Fees

As described in the "Fees and Compensation" section of this Brochure, the Energy Partners Funds and the LSO Funds pay performance fees which are based on a share of gains on, income from, or appreciation of the Funds' assets.

Performance fee arrangements may create an incentive for Luminus to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. In addition, calculation of performance fees earned is, in part, based on unrealized gains that may never materialize.

Side-by-Side Management

Luminus manages accounts for several Funds and executes orders for affiliates of Luminus that invest in the same or similar securities as the Funds. Luminus' aggregation and allocation policies and procedures are designed to identify and mitigate potential conflicts of interest among and between Funds and affiliates during the trade execution process. Luminus seeks to ensure that no Fund will be favored over any other Fund on an overall, long-term basis. In addition, no affiliate will be favored over any Fund on an overall, long-term basis.

Luminus' order allocation policies and procedures seek to allocate investment opportunities among Funds over time in the fairest possible way, taking into account the best interests and account-specific mandates of each Fund. Fund performance fees, management fees, and the status of performance hurdles will not influence allocation decisions. Each investment will be appropriate for the particular Fund in light of the characteristics of the specific investment opportunity, the overall portfolio composition of such Fund, and the strategy of the Fund.

Order Aggregation

Luminus may or may not aggregate multiple orders, and certain Funds or affiliates may be excluded from aggregated orders. When determining whether or not to aggregate orders on behalf of Funds and/or

affiliates, Luminus will consider factors applicable to each possible participant, including without limitation:

- Investment objectives and strategies
- Fund-specific investment targets
- Fund-specific limitations or requirements
- Timing of orders
- Status of pending orders
- Availability of securities

If orders are aggregated, the respective Funds and/or affiliates will participate at the average share price of all trades in the aggregated order. In addition, each account participating in an aggregated order will share commissions and other trade related costs based on its level of participation.

Allocation of Aggregated Orders

Luminus will allocate to participating accounts in specified ratios based on various factors, including without limitation:

- Investment objectives and strategies
- Fund-specific investment targets
- Fund-specific limitations or requirements
- Timing of orders
- Status of pending orders
- Availability of securities
- Whether a Fund is in its investment or ramp-up phase
- Whether a Fund has recently received a capital infusion or withdrawal request
- Fund cash balances and liquidity requirements
- Fund risk tolerances and concentration limits

Investment professionals and the Chief Compliance Officer (“CCO”) (or their designees) will conduct periodic reviews of a sample of trade allocations from aggregated orders. In addition, the CCO receives and reviews daily trade blotter reports directly from Luminus’ order management system provider.

ITEM 7 – TYPES OF CLIENTS

Luminus’ clients are the Funds, which are unregistered pooled investment vehicles. The Funds are structured as limited partnerships, limited liability companies or similar legal entities which Luminus and its related parties control. Although Luminus is a registered investment adviser, the Funds rely on rules promulgated under the United States federal securities laws that exempt privately offered partnerships from registering as investment companies.

Investment in the Funds is limited to investors that meet certain financial sophistication requirements. Investors in the Funds must be (i) “accredited investors” within the meaning of Regulation D under the Securities Act of 1933, as amended; and (ii) “qualified purchasers” within the meaning of the Investment Company Act of 1940, as amended. Prospective investors may be required to meet additional suitability requirements. Investors considering investment in the Funds should consult with their own investment, tax and/or legal consultants prior to investing.

The minimum subscription that will be accepted from a new investor in the Energy Partners Funds is \$1,000,000, with any amount in excess thereof to be subscribed in increments of \$100,000. The minimum subscription that will be accepted from a new investor in the LSO Funds is \$5,000,000, with any amount in excess thereof to be subscribed in increments of \$1,000,000. The LSO Funds, however, are presently closed to new investors. The general partner of each Fund, in its sole discretion, may waive or reduce these minimums.

Luminus does not currently manage any separate accounts, but Luminus may, without notice, elect to manage separate accounts for individual or institutional clients.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Luminus seeks to achieve positive investment returns for the Funds by identifying inefficiencies in the power, energy, utilities and related industries and sectors. Luminus' investment professionals have extensive backgrounds and experience analyzing operating companies specializing in power generation. Luminus' investment professionals utilize fundamental as well as technical analysis to formulate investment decisions.

Luminus' core strategy focuses on investments across the capital structure of publicly traded power, energy, utilities and related companies. Luminus also implements opportunistic investments in the power markets and private investments within the power, energy, utilities and related industries and sectors.

Each of the Funds' portfolios is concentrated in companies that operate within the power, energy, utilities and related industries and sectors. Adverse performance of these sectors may negatively impact the performance of the Funds' portfolios.

Certain derivative instruments utilized in the investment strategy may increase leverage, returns, risk and possibilities of rapid gains or losses as well as expose the Funds to counterparty risk. As with any investment, an investment in the Funds has the possibility of loss, including the loss of principal.

The Funds' investments may be in securities or investments that are considered illiquid or semi-illiquid, or could become illiquid or semi-illiquid in a difficult market environment. Illiquid securities may be difficult to price and/or sell in an orderly manner at prices estimated to be fair market value.

The Funds may utilize leverage to attempt to enhance returns. The use of leverage may also magnify the possibility of loss and may cause Luminus to sell positions collateralizing leveraged positions.

Energy Partners Funds' Investment Strategy

The Energy Partners Funds' investment objective is to seek to generate attractive absolute returns by investing principally in the power, energy, utilities and related industries and sectors. To achieve this objective the Energy Partners Funds utilize long and short positions in public equities, bonds, notes, convertible securities, debt participations, options, warrants, derivatives, and private debt and equities, among others. The Energy Partners Funds typically employ leverage. Luminus may seek both short-term and long-term trading opportunities.

Portfolio selection is based primarily on fundamental investment research while taking into consideration macro trends impacting the power, energy, utilities and related industries and sectors. The Energy Partners

Funds' portfolio construction takes into account the relative valuation of the power, energy, utilities and related industries and sectors. Such analysis may involve the review of publicly available information; ongoing dialogue with company management, industry participants and regulators, research analysts and industry professionals; internal information flow; identification of economic and industry drivers; development of detailed financial models; and identification of events that may trigger changes in the investor base's perception of value.

The Energy Partners Funds' portfolio may from time-to-time be net long, net neutral or net short. The determination of the net long/short position of the portfolio will be a function of Luminus' judgment.

LSO Funds' Investment Strategy

The LSO Funds' investment objective is to achieve attractive total returns through both capital appreciation and current returns primarily from a portfolio of credit and fixed income investments, equity and equity-related investments, and commodities and commodity-related investments, in each case, related to the power, energy, utilities and related industries and sectors. The LSO Funds focus primarily on investment opportunities that relate to current and anticipated changes in the U.S. power markets. Luminus may seek both short-term and long-term trading opportunities.

Risk Factors

An investment in the Funds will involve significant risks, including loss of the entire investment. Investors should have the financial ability and willingness to accept the risk characteristics of the Funds' investments. Such risks include, without limitation:

Limited Operating History; Past Performance of Affiliated Funds

The Funds have a limited operating history upon which prospective investors can evaluate their likely performance. Moreover, past performance is no assurance of future returns. Accordingly, an investment in the Funds entails a high degree of risk. In addition, the past investment performance of any other fund or account managed by the Management Company, which has or has had an investment program which is similar to, or different from, the investment program of the Funds is not indicative of the results that the Funds may achieve. The Funds will have a different investment portfolio and generally will employ different investment strategies and techniques from such other funds and accounts. Accordingly, the results of the Funds are likely to be different from and are independent of the results obtained by such other funds and accounts.

Dependence on the Management Company; Investors Do Not Participate in the Management of the Funds

The Management Company manages the investment program of the Funds. The success of the Funds depends upon, among other things, the ability of the Management Company to develop and successfully implement the investment program of the Funds. No assurance can be given that the Management Company will be able to do so. Decisions made by the Management Company may cause the Funds to incur losses or to miss profitable opportunities on which it may otherwise have capitalized. Investors have no right or power to participate in the day-to-day management or control of the business of the Funds, nor an opportunity to evaluate the specific strategies used, or investments made, by the Funds or the terms of any such investment.

Reliance on Key Personnel

All decisions with respect to the investment of the Funds' assets will be made by the Management Company, which relies on the services of one or more key members of the investment team. As a result, the success of the Funds for the foreseeable future will depend largely upon the abilities and retention of such key member(s). In the event that such a key member terminates his or her relationship with the Management Company, dies or becomes incapacitated for any period of time, profitability of the Funds' investments may suffer. While the investment team consists of several members, it is possible that the loss of a particular member may have a more significant impact on the Funds than would the loss of other members of the investment team. Notwithstanding the foregoing, the composition of the investment team may change over time without notice to the investors.

Competition

The securities industry is extremely competitive. The Funds competes with firms, including many of the larger investment banking firms, and other funds, which have substantially greater financial resources than does the Management Company and substantially greater research staffs and more securities traders than does the Management Company.

Performance Fees

The General Partners' right to performance fees may create an incentive for the Management Company to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. In addition, since the performance fee is calculated on a basis that includes unrealized appreciation of the Funds' assets, such compensation may be greater than if it were based solely on realized gains and losses.

Master-Feeder Structure

The Funds are organized as a part of "master-feeder" structures. A master-feeder structure, and in particular the existence of multiple investment vehicles investing in the same portfolio, presents certain unique risks to investors and the Funds may be materially affected by the actions of another entity investing in the master fund.

Continuous Offering

The Energy Partners Funds generally accept additional subscriptions on a continuous basis, as determined by the General Partner in its sole discretion. Such additional subscriptions may dilute the indirect interests of existing investors in the Funds' investment portfolio prior to any such subscriptions, which could have an adverse impact on the existing investors' interests in the Funds if future Fund investments underperform prior Fund investments.

Illiquidity of Interests

An investment in the Funds is of limited liquidity since transfers of interests are restricted and subject to the General Partner's consent, which consent may be withheld in the General Partner's sole discretion. Subject to limited withdrawal rights, each investor must be prepared to bear the economic risk of its investment in the Funds for an indefinite period. Interests will not be registered under the Securities Act and, therefore, cannot be sold unless they are subsequently registered under the Securities Act or an exemption from such registration is available. It is not contemplated that such registration will ever be effected.

An investor generally may only make a partial or total withdrawal from the Energy Partners Funds on a quarterly basis upon at least three (3) calendar months' prior written notice to the General Partner and the Funds' administrator, and subject to a 5% Early Withdrawal Adjustment on withdrawals within less than one year of contribution and certain minimum withdrawal requirements, holdbacks, delays and the ability of the General Partner to suspend or limit withdrawals.

There will be a substantial period of time between the date as of which investors must submit withdrawal requests in respect of any particular withdrawal date and the date as of which they can expect to receive full withdrawal proceeds in respect of withdrawals effected as of such date. Investors whose withdrawal requests in respect of any particular withdrawal date are accepted will bear the risk that the Fund's net asset value may fluctuate significantly during the period between the date as of which the withdrawal requests were submitted and the applicable withdrawal date. This risk will be exacerbated in the event that the General Partner suspends or limits withdrawals. Accordingly, investors will have to decide whether to submit withdrawal requests without the benefit of having current information regarding the value of their investment on a date proximate to the applicable withdrawal date.

Any withdrawal proceeds that have not yet been paid following the applicable withdrawal date, including amounts held back as reserves or the payment of which is otherwise delayed, will not accrue interest and will remain assets of the Funds (even though the same will not participate in the profits and losses of the Funds) until they are paid and, as such, will remain subject to claims of creditors of the Funds. In addition, the Funds are not required to distribute cash or other property to investors, and the General Partner generally does not intend to make distributions (other than in respect of withdrawals).

As a result of the foregoing, an investment in the Funds is suitable only for certain sophisticated investors that can bear the risks associated with the limited liquidity of their investment and will not be materially impacted by postponements of the Funds' normal withdrawal dates or the payment of withdrawal proceeds.

In-Kind Distributions

The Funds generally expect to pay withdrawal proceeds and other distributions, if any, in cash. However, the General Partner has the right, in its sole discretion, to cause any distributions, including, without limitation, distributions in respect of withdrawals, to be made in kind.

In the event that the Funds make such a distribution of securities, investors will bear any risks of the distributed securities and may be required to pay brokerage commissions or other costs in order to dispose of such securities. Moreover, securities and other assets distributed by the Funds may not be readily marketable or saleable and may have to be held by investors (or any special purpose vehicle or liquidating trust created to hold such assets) for an indefinite period of time. The risk of loss and delay and any expenses incurred in connection with liquidating such securities (including any expenses involved in the organization and maintenance of any applicable special purpose vehicle or liquidating trust and any brokerage commissions or other costs) will be borne by the applicable investors, which may result in such investors ultimately receiving less cash than they would have received if such distribution been made in cash. While assets distributed in kind will ordinarily be valued as of the applicable withdrawal or distribution date, the value of such assets will fluctuate and the value assigned thereto for purposes of such distribution may not reflect the actual amount that will be realized in connection with a disposition (or, on the eventual liquidation) of such assets.

Investor Loss

With respect to any given fiscal year, investors and former investors will share all losses, liabilities and expenses of the Funds up to the limit of their respective interests in the Funds during such fiscal year. As such, each investor and former investor may be required, for purposes of meeting these obligations, to make additional contributions or payments, respectively, up to, but not in excess of, the aggregate amount of returns of capital and other amounts actually received from the Funds during or after the fiscal year to which any such obligation is attributable.

Valuation; Assets That Lack a Readily Ascertainable Market Value

The net asset value of the Funds as of a particular date may be materially greater than or less than the net asset value that would be determined if the Funds' assets were to be liquidated as of such date. For example, if the Funds were required to sell a certain asset or all or a substantial portion of its assets on a particular date, the actual price that the Funds would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in the net asset value of the Funds. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the net asset value of the Funds.

In addition, to the extent that the Funds hold assets that lack a readily ascertainable market value, the Funds' net asset value will be affected by the valuations of any such assets. In valuing assets that lack a readily ascertainable market value, the Funds (or their independent agents, as applicable) may utilize dealer supplied quotations or pricing models developed by third parties or, to the extent permitted by applicable law, the Management Company and/or its affiliates. Such methodologies may be based upon assumptions and estimates. The uncertainty inherent in the valuation of assets that lack a readily ascertainable market value may significantly increase the risk that the value of such assets as reflected in the Funds' net asset value will differ materially from the prices at which the Funds would be able to liquidate such assets. The value of assets that lack a readily ascertainable market value may be subject to later adjustment based on valuation information available to the Funds at that time including, for example, as a result of year-end audits. Any adjustment to the value of such assets may result in an adjustment to the net asset value of the Funds (and, as a result, in certain circumstances, investors or former investors may be required to return distributions to the Funds).

Notwithstanding the risks of potential inaccuracies in the valuations of certain investments, such valuations will affect the determination of the net asset value of the Funds and each investor's capital account, including, without limitation, in connection with calculation of the management fee and performance fee. The Management Company or any other party involved in the valuation of the Funds' assets, including assets that lack a readily ascertainable market value, will face a conflict of interest in valuing such assets, to the extent that the value of such assets will affect such party's compensation.

Substantial Withdrawals

Substantial withdrawal requests by investors in a concentrated period of time could require the Management Company to liquidate certain investments more rapidly than might otherwise be desirable in order to raise cash to fund the withdrawal requests and achieve a portfolio appropriately reflecting a smaller asset base. This may limit the ability of the Management Company to successfully implement the Funds' investment program and could negatively impact the value of the withdrawal proceeds and the value of the investor capital accounts that remain outstanding. In addition, following receipt of a withdrawal request, the Funds may be required to liquidate assets in advance of the applicable withdrawal date, which may result in the Funds holding cash or highly liquid investments pending such withdrawal

date. During any such period, the ability of the Management Company to successfully implement the investment program of the Funds may be impaired, and the Funds' returns may be adversely affected as a result.

Moreover, regardless of the time period over which substantial withdrawal requests by investors are made, the resulting reduction in the Funds' net asset value could make it more difficult for the Funds to generate profits or recover losses. Because investors are generally not subject to limitations on the amount that may be requested for withdrawal, substantial withdrawals may occur with respect to any withdrawal date. Investors will not generally receive notification of substantial withdrawal requests in respect of any particular withdrawal date from the Funds and, therefore, may not have the opportunity to make withdrawals from their capital accounts prior to or at the same time as the withdrawing investors. Substantial withdrawals may also cause the General Partner to suspend or limit withdrawals or delay distributions in respect thereof.

Side Letters

The Management Company and the General Partner may enter into agreements with certain investors granting them certain additional rights with respect to their investments in the Funds, or entitling them to terms and conditions that are otherwise different from those applicable to other investors in the Funds. The Management Company and the General Partner have entered into such agreements with certain investors, which provide, among other things, that such Limited Partners will be notified in the event that (i) certain regulatory or legal proceedings are instituted against the Fund, the General Partner or the Management Company that could materially impair the General Partner's or the Management Company's ability to manage the Funds, (ii) the General Partner withdraws a significant portion of its investment in the Funds, (iii) 1% or more of the Fund's net assets consist of non-marketable securities, or (iv) a counterparty to a prime brokerage or certain other agreements terminates or accelerates the applicable agreement as a result of the Fund's or the Management Company's breach or default thereunder. As a result, such investors may be able to make subscription and withdrawal decisions with the benefit of having more and/or more current information than that available to other investors, which may result in certain risks to such other investors.

No Current Income

The Funds' investment policies should be considered speculative, as there can be no assurance that the Management Company's assessments of the short-term or long-term prospects of investments will generate a profit. In view of the fact that the Funds do not intend to pay dividends or make distributions, other than the proceeds of withdrawals, an investment in the Funds is not suitable for investors seeking current income for financial or tax planning purposes.

Investment and Trading Risks

An investment in the Funds involves a high degree of risk, including the risk that the entire amount invested may be lost. The Funds invest in and actively trade securities and other financial instruments using strategies and investment techniques with significant risk characteristics, including those described in each Fund's offering documents. All investments made by the Funds risk the loss of capital. No assurance is given, nor is any representation made, that the investment program of the Funds will be successful or that the various trading strategies utilized or investments made by the Funds will have low correlation with each other or with the financial markets in which the Funds invest. The investment results of the Funds may vary substantially over time. The possibility of partial or total loss of capital exists, and prospective investors should not invest unless they can readily bear the consequences of such loss.

Limited Investment Opportunities

The Funds will be focused on a small universe of investments, which may result in limited investment opportunities and no assurance can be given that the Management Company will be able to locate suitable investment opportunities in which to deploy all of the Funds' capital. In addition, the success of the Funds' investment activities will depend on, among other things, the Management Company's ability to identify and exploit price discrepancies. Identification and exploitation of such opportunities involves uncertainty. In the event that the perceived mispricings underlying the Funds' positions were to fail to converge toward, or were to diverge further from, relationships expected by the Management Company, the Funds may incur a loss.

Concentration of Investments

A significant portion of the Funds' capital is generally concentrated in the power, energy, utilities and related industries and sectors, and in equity securities of U.S. issuers. Investments in such sectors are subject to numerous industry-specific risks, including, without limitation, regulatory changes, changes in the availability of financing, changes in power and fuel prices and general economic conditions. In the event that such sectors, the equity markets (particularly in the United States) and/or the other markets in which the Funds invest become subject to adverse financial conditions, the Funds' capital will not be afforded the protection otherwise available through greater diversification of its investments. Additionally, the Funds may at certain times hold large positions in a relatively limited number of investments. The Funds could be subject to significant losses if they hold a relatively large position that declines in value, and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances.

Issuer Risks

The issuers of securities acquired by the Funds may sometimes involve a high degree of business and financial risk. Certain issuers in which the Funds invest may be in early stages of development, may not have proven operating histories, may lack management depth, may be operating at a loss or have significant variations in operating results, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, may lack the ability to generate internally or obtain externally the funds necessary for growth, or may otherwise have weak financial conditions. Issuers with new products or services could sustain significant losses if projected markets do not materialize. Such issuers may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Moreover, such issuers may face intense competition, including competition from issuers with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel.

Short Sales

The Funds engage in short selling as part of their investment strategy. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the Funds to profit from declines in securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. Moreover, there can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

In the fall of 2008, the SEC temporarily suspended short selling on stocks of over 950 publicly traded companies and in 2010, the SEC adopted a short sale price test rule, which limited short selling an issuer following a 10% decline in its trading price. Other jurisdictions have imposed similar restrictions as well as reporting requirements. The imposition of such restrictions and reporting requirements may prevent the Funds from successfully implementing their investment strategies and achieving their investment objectives. In addition, reporting requirements relating to short selling may provide transparency to the Funds' competitors as to its short positions, which may have a detrimental impact on the Funds' returns.

Cash, Cash Equivalents and Short-Term Investments

For cash management purposes, pending allocation of capital to one or more investments, for defensive purposes, to meet operational needs, to maintain liquidity, to fund anticipated withdrawals or expenses of the Funds or otherwise, in the Management Company's sole discretion, the Funds may hold up to 100% of their assets in cash, cash equivalents and short-term investments. The Funds may be prevented from achieving their objectives during any period in which the Funds' assets are not substantially invested in accordance with its principal investment strategies.

Purchasing Initial Public Offerings

The Funds may acquire new issue securities. Special risks associated with these securities may include a limited number of interests available for trading, unseasoned trading, lack of investor knowledge of the issuer, and limited operating history. These factors may contribute to substantial price volatility for the interests of these issuers and, thus, the Funds' interests. The limited number of interests available for trading in some initial public offerings may make it more difficult for the Funds to buy or sell significant amounts of interests without an unfavorable impact on prevailing market prices. In addition, some issuers in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these issuers may be undercapitalized or regarded as developmental-stage issuers, without revenues or operating income, or the near-term prospects of achieving them.

In addition, securities sold in initial public offerings in the past have on occasion experienced initial, sometimes rapid, increases in market value following such offerings. Because investors that are "restricted persons" and, in certain circumstances, company insiders generally do not participate in new issues, such investors will not share in any such increases. Investors participating in new issues may have returns on their investment that are materially different from the returns on investment obtained by investors that do not participate in new issues.

Investments in Non-U.S. Securities; Currency Hedging

The Funds may make investments in non-U.S. securities that may be subject to greater risks than purely U.S. investment due to a variety of factors, including currency controls and the fluctuation of currency exchange rates, changes in governmental administration or economic or monetary policy (in the United States and abroad) or changed circumstances in dealings between nations. Dividends paid by non-U.S. issuers may be subject to withholding and other non-U.S. taxes that may decrease the net return on these investments as compared to dividends paid to the Funds by U.S. corporations.

There may be less publicly available information about non-U.S. issuers than about U.S. issuers, and non-U.S. issuers may not be subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those of U.S. issuers. Securities of some non-U.S. issuers are less liquid and non-U.S. brokerage commissions are generally higher than in the United States. Non-U.S. securities

markets may also be less liquid, more volatile and less subject to governmental supervision than those in the United States. Investments in non-U.S. countries could be affected by other factors not necessarily present in the United States, including expropriation, exchange controls, confiscatory taxation and potential difficulties in enforcing contractual obligations.

The prices of non-U.S. securities will generally be determined with reference to currencies other than the U.S. dollar. The Funds, however, value their securities and other assets in U.S. dollars. The Management Company may or may not seek to hedge all or any portion of the Funds' non-U.S. currency exposure. However, even if the Management Company attempts such hedging techniques, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. To the extent unhedged, the value of the Funds' assets will fluctuate with U.S. dollar exchange rates as well as the price changes of the Funds' investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the Funds make their investments will reduce the effect of increases and magnify the effect of decreases in the prices of the Funds' securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on the Funds' non-U.S. securities. To hedge against currency fluctuations, the Management Company may conduct currency exchange transactions on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market or by utilizing options, forward contracts or swaps, but there can be no assurance that such hedging transactions will be effective, and such techniques entail costs and additional risks.

Reliance on Certain Information

The Management Company is likely to invest in securities on the basis of information and data filed by the issuers of such securities with the SEC or made directly available to the Management Company by the issuers of the securities and other instruments or through sources other than the issuers. Although the Management Company evaluates all such information and data and seeks independent corroboration when it considers it appropriate and when it is reasonably available, the Management Company is not in a position to confirm the completeness, genuineness or accuracy of such information and data.

Frequent Trading and Turnover

The Management Company may make frequent trades in securities and other investments. The turnover rate within the Funds may be significant, potentially involving substantial brokerage commissions, fees and other transaction costs, which could have an adverse effect on the performance of the Funds.

Leverage

The Funds typically utilize leverage as part of their investment programs, and such leverage may be substantial. The Funds also may borrow to fund withdrawals or otherwise to meet their operational needs. Leverage creates an opportunity for greater yield and total return, but at the same time increases exposure to capital risk and higher current expenses (which expenses will generally increase as interest rates rise). If the Funds purchase securities on margin and the value of those securities falls, the Funds may be obligated to pay down the margin loans to avoid liquidation of the securities. If loans to the Funds are collateralized with portfolio securities that decrease in value, the Funds may be obligated to provide additional collateral to the lender in the form of cash or securities to avoid liquidation of the pledged securities. Any such liquidation could result in substantial losses. In addition, the rights of any lenders to the Funds to receive

payments of interest or repayments of principal will generally be senior to those of investors, and the terms of any such borrowings may restrict certain activities of the Funds, including the ability to make distributions. Moreover, counterparties of the Funds, in their sole discretion, may change the leverage limits that they extend to the Funds. The use of leverage by the Funds can substantially increase the adverse impact to which the Fund's investment portfolio may be subject.

Hedging Transactions

The Funds may utilize a variety of financial instruments, including, without limitation, stocks, fixed income instruments, options, index options, convertible bonds, and various derivative and interest rate transactions, both for investment purposes and for risk management purposes ("Hedging Instruments"). Hedging techniques involve risks different than those of underlying investments. In particular, the variable degree of correlation between price movements of Hedging Instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of the Funds' positions. In addition, certain Hedging Instruments and markets may not be liquid in all circumstances. As a result, in volatile markets, the Fund may not be able to close out a transaction in certain of these instruments without incurring losses substantially greater than the initial deposit. Although the contemplated use of Hedging Instruments is intended to minimize the risk of loss due to a decline in the value of the hedged position, at the same time they tend to limit any potential gain which might result from an increase in the value of such position. The ability of the Funds to hedge successfully will depend on the ability of the Management Company to predict pertinent market movements, which cannot be assured.

Highly Volatile Markets; Economic and Business Conditions

The prices of the Funds' investments, including without limitation, equity securities and derivative instruments, can be highly volatile. Price movements of the common stocks, derivatives and other securities and instruments in which the Funds invest may be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instruments. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

The Funds may be adversely affected by economic or financial market disruptions that occur during the term of the Funds. Economic and financial market disruptions may magnify the risks described herein and have other adverse effects, including increased volatility and illiquidity in the global credit, debt and equity markets generally, significantly tightened availability of credit, increased risk of failure of brokers, counterparties, exchanges and other systemically important institutions, and declines in the market values of Fund investments and/or market values generally. Such conditions could lead to losses and diminished investment opportunities for the Funds, could prevent the Funds from successfully meeting their investment objectives or could require the Funds to dispose of investments at a loss while such unfavorable market conditions prevail. In addition, market disruptions could result in sudden changes to regulatory requirements or other government intervention implemented on an "emergency" basis, which may suddenly prevent the Management Company from implementing certain investment strategies or from managing the risk of the Funds' outstanding positions. Any of the foregoing could have a material adverse effect on the Funds and their investments.

Institutional Risk and Custodial Risks

The institutions, including brokerage firms and banks, with which the Funds (directly or indirectly) do business, or to which securities have been entrusted for custodial and brokerage purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the Funds. Brokers may trade with an exchange as a principal on behalf of the Funds, in a “debtor-creditor” relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could, therefore, have title to all of the assets of the Funds. In the event of such broker’s insolvency, the transactions which the broker has entered into as principal could default and the Funds’ assets could become part of the insolvent broker’s estate, to the detriment of the Funds. In this regard, Fund assets may be held in “street name” such that a default by the broker may cause Funds’ rights to be limited to that of an unsecured creditor.

Prime Brokers

The Funds will rank as one of each prime broker’s unsecured creditors in relation to assets which such prime broker borrows, lends, pledges or re-hypothecates and, in the event of the insolvency of any of the prime brokers, the Funds might not be able to recover equivalent assets in full.

Loans of Securities

To the extent permitted by applicable law, the Funds may lend its securities, directly or indirectly, to brokers, dealers, U.S. and non-U.S. banks, financial institutions and other counterparties for the purpose of increasing its net investment income, including, to the extent permitted by applicable law, entities that are affiliated with the Management Company. These loans may be secured by cash or other collateral. There may be risks of delay in recovery of the securities or even loss of rights in the collateral should the borrower of the securities fail financially.

Limited Liquidity of Certain Fund Investments

The Funds may invest a portion of its assets in certain securities or other instruments that are, or may become, illiquid and/or not publicly traded. Such investments may not be readily disposable and, in some cases, may be subject to contractual, statutory or regulatory prohibitions on disposition for a specified period of time. During periods of limited liquidity and higher price volatility, the Funds’ ability to dispose of investments at a price and time that the Management Company deems advantageous may be impaired, and the Funds may be subject to substantial losses as a result. In addition, such circumstances may impair the Funds’ ability to meet withdrawal requests and may cause the General Partner to suspend or limit withdrawals or delay distributions in respect thereof.

Non-Publicly Traded Securities, Private Placements and Restricted Securities

The Funds may invest in certain securities that are neither listed on a stock exchange nor traded over-the-counter, including privately placed and restricted securities. These unlisted securities may involve a higher degree of business and financial risk that can result in substantial losses. As a result of the absence of a public trading market for these securities, they will be less liquid than publicly traded securities. Although these securities generally may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid by the Funds or less than what may be considered the fair value of such securities. Further, issuers whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements which might be applicable if their securities were publicly traded. If such securities are required to be registered under the securities laws of one or more

jurisdictions before being resold, the Funds may be required to bear the expenses of registration and may incur additional liability in connection with such sale.

Exchange Rules

Each securities exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension would render it impossible for the Funds to liquidate positions and, accordingly, could expose the Funds to losses and/or cause a General Partner to suspend or limit withdrawals or delay distributions in respect thereof.

Electronic Trading

The Funds may trade on electronic trading and order routing systems, which differ from traditional open outcry trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchanges offering the system or listing the instrument. Characteristics of electronic trading and order routing systems vary widely among the different electronic systems with respect to order matching procedures, opening and closing procedures and prices, trade error policies and trading limitations or requirements. There are also differences regarding qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risk factors with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times and security. In the case of internet-based systems, there may be additional risks related to service providers and the receipt and monitoring of electronic mail.

Trading through an electronic trading or order routing system is also subject to risks associated with system or component failure. In the event of system or component failure, it is possible that for a certain time period, it might not be possible to enter new orders, execute existing orders or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority. Some investments offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. Exchanges offering an electronic trading or order routing system and listing the instrument may have adopted rules to limit their liability, the liability of brokers and software and communication system vendors and the amount that may be collected for system failures and delays. The limitation of liability provisions vary among the exchanges.

Effect of Speculative Position Limits

The CFTC and various exchanges have rules limiting the maximum long or short positions which any person or group may own, hold or control in any given futures contract or option on such futures contract. Any such limits may prevent the Funds from acquiring positions that might otherwise have been desirable or profitable. In addition, in applying such limits, the CFTC and some exchanges require aggregation of the positions owned, held or controlled by certain related entities. The activities of the Management Company on behalf of the Funds are, and will continue to be, conducted separately from the activities of the Management Company and its affiliates. However, in applying such limits, the CFTC and some exchanges will require aggregation of the Funds' positions in futures and options on futures with positions held by other entities managed by the Management Company. In addition, it is possible that, in applying such limits, the CFTC and some exchanges will require aggregation of the Funds' positions in futures or options on futures with positions held or controlled by other entities affiliated with the Management Company. Under such circumstances, the Funds could be required to limit its use of futures or options on futures or liquidate its positions.

In addition, pursuant to the Dodd-Frank Act, the CFTC recently re-proposed (i) position limit rules for futures, options on futures contracts and swaps with respect to 28 agricultural, energy and metal commodities, along with economically equivalent futures, options on futures contracts and swaps, and (ii) aggregation criteria which are more restrictive in some respects than current rules. If adopted, these new rules may restrict the activities in which the Management Company may engage on behalf of the Funds. Any additional rules or rule amendments adopted by the CFTC in the future may hinder the Management Company's ability to trade such contracts or other instruments and could have an adverse effect on the operations and profitability of the Funds.

Legal, Tax and Regulatory Risks; Disclosure of Information Regarding Investors

Legal, tax and regulatory changes are expected to occur during the term of the Funds that may materially adversely affect the Funds (including the ability of the Funds to achieve its investment objective and pursue its investment strategies). Recent legislation, including the enactment of the Dodd-Frank Act and certain proposed rules and regulations may require material changes to the business and operations of, or have other adverse effects on, the Funds, the Management Company and the General Partners. Such requirement may increase the operating expenses of the Funds, as well as the administrative burden of managing the Management Company's client's assets, which could have a material adverse effect on the Funds.

In addition to the legal, tax and regulatory changes that are expected to occur during the term of the Funds, there may be unanticipated changes. The legal, tax and regulatory environment for hedge funds, investment advisers, and the instruments that they utilize (including, without limitation, derivative instruments) is continuously evolving. In addition, there is significant uncertainty regarding recently enacted legislation (including the Dodd-Frank Act and the regulations that are being developed pursuant to such legislation) and, consequently, the full impact that such legislation will ultimately have on the Funds, the General Partners and the Management Company and the markets in which they trade and invest is not fully known.

Moreover, the Funds, the Management Company or its affiliates and/or service providers or agents of the Funds or the Management Company may from time to time be required or may, in their sole discretion, determine that it is advisable to disclose certain information about the Funds and investors, including, but not limited to, investments held by the Funds and the names and level of beneficial ownership of investors, to (i) one or more regulatory and/or taxing authorities of certain jurisdictions which have or assert jurisdiction over the disclosing party or in which the Funds directly or indirectly invest and/or (ii) one or more counterparties of, or service providers to, the Management Company or the Funds. By virtue of entering into a subscription agreement, each investor will have consented to any such disclosure relating to such investor.

Absence of Regulatory Oversight

The Funds have not been or will not be registered as an investment company under the Investment Company Act (the "ICA") in reliance upon an exemption available to privately offered investment companies. Accordingly, the provisions of the ICA intended to provide various protections to investors (which, among other things, require investment companies to have a majority of disinterested directors, provide limitations on leverage, limit transactions between investment companies and their affiliates, require securities of an investment company held in custody to be individually segregated at all times from the securities of any other person and marked to clearly identify such securities as the property of such investment company, and regulate the relationship between investment companies and their advisers) are not applicable. At any given time, a substantial portion of the Funds' securities and other assets may be maintained with brokerage firms which do not separately segregate such assets as would be required in the case of registered investment companies. Under the provisions of the U.S. Securities Investor Protection

Act of 1970, as amended, the bankruptcy or failure of any such brokerage firm is likely to have a greater adverse impact on the Funds than would be the case if custody of such securities and other assets was maintained in accordance with the requirements applicable to registered investment companies. There is also the risk that a custodian could convert to its own use assets committed to it by the Funds.

EU Alternative Investment Fund Managers Directive

The European Union Alternative Investment Fund Managers Directive (the “AIFMD”) regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area (“EEA”). If the Energy Partners Funds may be actively marketed to investors domiciled or having their registered office in the EEA in circumstances where no transitional relief is available: (i) the Energy Partners Fund may be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in the Energy Partners Fund incurring additional costs and expenses; (ii) the Energy Partners Fund, the Management Company and/or the General Partner may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which may result in the Energy Partners Fund incurring additional costs and expenses or otherwise affect the management and operation of the Fund; (iii) the Management Company and/or the General Partner may be required to make detailed information relating to the Energy Partners Fund and its investments available to regulators and third parties; and (iv) the AIFMD may also restrict certain activities of the Energy Partners Fund in relation to EEA portfolio companies (if any) including, in some circumstances, the Energy Partners Fund’s ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for the Energy Partners Fund to raise subscriptions.

Anti-Money Laundering

If the General Partners, the Funds’ administrator or any governmental agency believes that the Funds have accepted capital contributions from, or are otherwise holding assets of, any person or entity that is acting directly or indirectly, in violation of any U.S., international or other anti-money laundering laws, rules, regulations, treaties or other restrictions, or on behalf of any suspected terrorist or terrorist organization, suspected drug trafficker, senior foreign political figure(s) suspected in engaging in foreign corruptions or persons or entities subject to any trade, economic or other sanctions imposed by the United Nations or any other applicable governmental or regulatory authority, the General Partner, the administrator or such governmental agency may freeze the assets of such person or entity invested in the Fund or suspend their withdrawal rights. The Funds and/or their administrator may also be required to remit or transfer those assets to a governmental agency.

Certain ERISA Considerations

The assets of the Funds may constitute “plan assets” from time to time. At any time that the assets of the Funds constitute “plan assets,” the Funds may, among other things, be subject to certain restrictions on their abilities to carry out their activities as described herein. As a result, under certain circumstances, the Funds could be prohibited from purchasing or holding such securities, notwithstanding that such securities might otherwise be appropriate investment opportunities for the Funds. Similarly, an entity’s ability to acquire interests in bank loans by participation may be limited at any time that its assets constitute “plan assets.”

Litigation and Claims

The Funds, the General Partners and the Management Company, as independent legal entities, may be subject to lawsuits or proceedings by government entities or private parties. Except in certain limited circumstances, expenses or liabilities of the Funds arising from any suit will be borne by the Funds.

Need for Independent Advice

Each prospective investor should consult its own legal, tax and financial advisers regarding the desirability of an investment in the Funds.

ITEM 9 – DISCIPLINARY INFORMATION

Luminus and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to an investor’s evaluation of Luminus or its personnel.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Luminus is affiliated with LS Power Equity Advisors, LLC, LSP Credit Advisors I, LLC, Edge Principal Advisors, LLC and Aterian Investment Advisors, LLC (collectively, “Affiliated Advisers”). In addition, Luminus is affiliated with LS Power Development, LLC (“LS Power Development”), which is engaged in the development, acquisition and management of power generation and transmission infrastructure, and Tiber Capital Corp. (“Tiber Capital”), which owns investment related entities, including Edge Principal Advisors, LLC and Aterian Investment Advisors, LLC. Luminus and its employees provide support to and receive support from Luminus’ affiliates in connection with certain investment-related activities.

The Affiliated Advisers are also registered as investment advisers with the Securities and Exchange Commission (“SEC”). Additional information about such Affiliated Advisers is available on the SEC’s website at www.adviserinfo.sec.gov.

Luminus Special Opportunities I Partners, LLC (the “LSO GP”) is the general partner and/or designated operator of the LSO Funds. As such, the LSO GP is registered with the U.S. Commodity Futures Trading Commission (the “CFTC”) under the Commodity Exchange Act of 1936, as amended, as a commodity pool operator and is a member of the National Futures Association (the “NFA”). The operators of the Energy Partners Funds are exempt from registration with the CFTC. Additional information about the LSO GP and the Funds is available at www.nfa.futures.org.

Conflicts of Interest

General

Luminus’ affiliates and their respective officers and employees directly or indirectly manage the assets of other funds and have other clients and business activities that may in some respects compete with the Funds for certain investments. In addition, the Funds’ investment flexibility may be constrained (e.g., the Funds may be forced to forgo certain potentially profitable investment opportunities or may be unable to dispose of an investment at an opportune time) as a result of certain material non-public information held by Luminus or its affiliates or other reasons, including reasons arising from Luminus’ affiliates’ management of other funds. These limitations could have a material adverse effect on the Funds’

performance. By acquiring an interest in a Fund, each investor will be deemed to have acknowledged the existence of, and to have consented to, such actual and potential conflicts of interest and to have waived any claim with respect to the existence of any such conflict of interest.

The Affiliated Advisers, LS Power Development, Tiber Capital and other affiliates of Luminus (collectively, “Luminus Parties”) engage in a broad spectrum of activities, including investment advisory activities. The Affiliated Advisers and other affiliates engage in investment activities for their own accounts or the accounts of others that are independent from and that may from time to time conflict with those of the Funds. Luminus’ affiliates may provide services to, invest in, advise, sponsor and/or act as investment manager to investment vehicles and other persons or entities, including prospective investors in the Funds, which may have similar structures and investment objectives and policies to those of the Funds. These other entities may compete with the Funds for investment opportunities or, in certain cases, may invest alongside the Funds in certain transactions.

Refer to Item 6 – “Performance Based Fees and Side by Side Management” for a description of the allocation process involving Affiliated Advisers, LS Power Development, and Tiber Capital.

Luminus’ affiliates are not obligated to share investment ideas or opportunities with Luminus or the Funds, regardless of whether or not such activities, investments or ventures are of the same nature as, and/or compete with the Funds. Luminus’ affiliates are not obligated to account to the Funds or any investor for any profits or benefits earned or derived therefrom, or to disclose or refer to the Funds or any investor any of the investment or service opportunities obtained through such activities or ventures. Luminus has implemented a Code of Ethics, trading policies and procedures and a compliance oversight program to address these conflicts.

Services of the Management Company and General Partner

The Management Company, the General Partner and their members, officers, directors and employees are not under any obligation to devote their full time (or any material part of their time) to the business of the Funds, but are required to devote only such time and attention to the affairs of the Funds as shall be reasonably necessary, in the opinion of the Management Company and General Partner, to achieve its investment objectives. The Management Company, the General Partner and their members, officers, directors and employees (including members of the Funds’ investment team) engage in other activities unrelated to the affairs of the Funds, including, without limitation, managing or advising other funds and accounts. These activities could be viewed as creating a conflict of interest in that the time and effort of such persons will not be devoted exclusively to the business of the Funds but will be allocated between the business of the Funds and the management of the monies of other clients.

Allocation of Opportunities

Luminus Parties have potential conflicts in connection with the allocation of investments or transaction decisions for the Funds, including in situations in which Luminus Parties and their personnel have interests (e.g., other investment funds). Luminus Parties may manage or advise accounts (including, without limitation, other investment funds) that have investment objectives that are similar to those of the Funds and/or may seek to make investments in issuers and securities or other instruments in which the Funds may seek to invest. In particular, the investment strategies utilized by the Funds may overlap with certain investment strategies utilized by affiliated funds. This will create potential conflicts and potential differences among the Funds and other accounts, particularly where there is limited availability or limited liquidity for those investments. Luminus Parties will allocate investment opportunities and make purchase and sale decisions among the Fund and other accounts in a manner that they consider, in their sole discretion, to be reasonable and equitable over time.

Luminus Parties will make allocations for the Fund and other accounts with reference to various factors that may include, without limitation, relative sizes and expected future sizes, investment objectives and guidelines, risk tolerance, availability of other investment opportunities, and available cash for investment. Although allocating orders among the Funds and other accounts may create potential conflicts of interest because of the interests of Luminus Parties or because Luminus Parties may receive greater fees or compensation from one of the account's allocated orders, Luminus Parties will not make allocation decisions based on such interests or greater fees or compensation.

Allocation decisions among accounts may be more or less advantageous to any one account or group of accounts. Luminus Parties may determine that an investment opportunity or particular purchases or sales are appropriate for one or more accounts or for themselves or their affiliates, but not for the Funds, or are appropriate for, or available to, the Fund but in different sizes, terms or timing than is appropriate for other accounts. Therefore, the amount, timing, structuring or terms of an investment by the Funds may differ from, and performance may be lower than, investments and performance of other accounts.

Advising Other Accounts

The results of the investment activities of the Funds may differ significantly from the results achieved by other accounts managed or advised by Luminus Parties and from the results achieved by Luminus Parties' proprietary accounts. Luminus Parties will manage the Funds and their other accounts in accordance with their respective investment objectives and guidelines. However, Luminus Parties may give advice, and take action, with respect to any current or future account that may compete or conflict with the actions taken by Luminus Parties on behalf of the Funds, or may involve a different timing or nature of action than with respect to the Funds.

Transactions undertaken by other accounts managed or advised by, and the proprietary accounts of, Luminus Parties may adversely impact the Funds. Luminus Parties or their other accounts may buy or sell positions while the Fund is undertaking the same or a differing, including potentially opposite, strategy, which could disadvantage the Funds (e.g., such other accounts could take a short position in a security in which the Fund holds a long position or vice versa). In addition, transactions in investments by Luminus Parties or their other accounts may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of the Funds, particularly, but not limited to, in small capitalization, emerging market or less liquid strategies. When Luminus Parties or their other accounts implement a portfolio decision or strategy ahead of, or contemporaneously with, similar portfolio decisions or strategies for the Funds, market impact, liquidity constraints, or other factors could result in the Funds receiving less favorable trading results, the costs of implementing such portfolio decisions or strategies could be increased and/or the Funds could otherwise be disadvantaged.

In addition, Luminus Parties or their other accounts may invest in debt securities or obligations of issuers in which the Funds holds equity interests. In such event, potential conflicts of interest would arise insofar as the Luminus Parties or their other accounts would have an interest in structuring the financial and other terms (such as interest and repayment terms, covenants and events of default) to be more restrictive than the Funds, as equity owner, may desire. In addition, further conflicts could arise after the closing of such investments by the Luminus Parties or their other accounts.

Except as described in this paragraph, the directors, officers and employees of Luminus Parties may buy and sell securities or other investments for their own accounts (including through funds managed by Luminus Parties). As a result of differing trading and investment strategies or constraints, positions may be taken by directors, officers and employees that are the same, different from or made at different times than positions taken for the Fund. To reduce the possibility that the Fund will be materially adversely

affected by the personal trading described above, the Investment Manager has established policies and procedures that place certain restrictions on securities trading in the personal accounts of investment professionals and others who normally come into possession of information regarding the portfolio transactions of the Fund. However, there can be no assurance that such policies will reduce potential conflicts and the Investment Manager may modify such policies and procedures at any time without notice to investors.

Further, the Fund may invest in issuers in which Luminus Parties or their other accounts may have previously invested independent of the Fund, or may invest in issuers prior to investment in such issuers by Luminus Parties or their other accounts. The terms of such investments may be different than those of Fund investments. Luminus Parties or their other accounts may also invest in issuers contemporaneously with the Fund. The terms of such investments may also be different than those of the Fund. The Fund will not benefit directly from independent investments made by Luminus Parties or their other accounts in issuers in which the Fund is invested.

Material Non-Public Information

From time to time, Luminus Parties may come into possession of material non-public information concerning certain issuers. In particular, LS Power Development, and certain Affiliated Advisers are engaged in the development, acquisition and management of power generation and transmission infrastructure. As a result, Luminus Parties may have access to information regarding certain issuers in the power, energy, utilities and related industries and sectors that is confidential in nature or not otherwise available to the general investing public. Under certain circumstances, the use of such information by Luminus Parties for the benefit of the Funds may constitute a violation of applicable securities laws and could expose the Funds to additional risk of loss. The Funds' investment flexibility may be constrained as a result (e.g., the Funds may be forced to forgo certain potentially profitable investment opportunities or may be unable to dispose of an investment at an opportune time), which could have a material adverse effect on the Funds' performance.

Additional Potential Limitations and Restrictions on Investment Opportunities

From time to time, the activities of the Funds may be restricted because of regulatory or other requirements applicable to the Luminus Parties and/or their internal policies designed to comply with, limit the applicability of, or otherwise relate to such requirements. A fund not advised by Luminus Parties may not be subject to some of those considerations.

The investment activities of the Luminus Parties for their proprietary accounts and for their other client accounts (including funds) may also limit the investment strategies and rights of the Funds. For example, in regulated industries, in certain emerging or international markets, in corporate and regulatory ownership definitions, in the ownership of certain commodities and in certain derivative transactions, there may be limits on the aggregate amount of investment by affiliated investors that may not be exceeded without the grant of a license or other regulatory or corporate consent or, if exceeded, may cause the Luminus Parties, the Fund or their other accounts to suffer disadvantages or business restrictions. If certain aggregate ownership thresholds are reached or certain transactions undertaken, the ability of the Management Company on behalf of clients (including the Funds) to purchase or dispose of investments, or exercise rights or undertake business transactions, may be restricted by regulation or otherwise impaired. As a result, the Management Company on behalf of clients (including the Funds) may limit purchases, sell existing investments, or otherwise restrict or limit the exercise of rights (including voting rights). In order to seek to avoid potential conflicts of interest, the Luminus Parties may preclude the Funds from making an investment or selling its existing investment in, or taking other actions with respect to, securities of an

issuer where Luminus Parties are advising another client or fund that is making or selling an investment in the securities of the same issuer.

Performance-Based Compensation

The General Partner is entitled to receive the performance fee from the Funds as described herein. Such compensation arrangement may create an incentive for the Investment Manager to make investments on behalf of the Funds that are riskier or more speculative than would be the case if such arrangement was not in effect.

Valuation

The valuation of the Funds' assets by the Management Company and/or the General Partner presents certain potential conflicts of interests because such valuations affect the calculation of the management and performance fees. Such potential conflicts are greater with respect to any Fund assets that lack a readily ascertainable market value. However, the Management Company and/or the General Partner will perform their valuation functions in good faith in accordance with internal valuation policies and procedures, without regard to the effect such valuations may have on the management and performance fees.

Brokerage Transactions

The Management Company may select a broker-dealer that furnishes the Management Company, directly or through correspondent relationships, with research (including third party research) or other services which provide, in the Management Company's view, appropriate assistance to the Management Company in the investment decision-making process. Research or other services obtained in this manner may be used in servicing any or all of the Funds and other accounts, including in connection with accounts other than those that pay commissions to the broker relating to the research or other service arrangements. Such products and services may disproportionately benefit other accounts relative to the Funds based on the amount of brokerage commissions paid by the Funds and such other accounts. For example, research or other services that are paid for through one client's commissions may not be used in managing that client's account. In addition, other accounts may receive the benefit, including disproportionate benefits, of economies of scale or price discounts in connection with products and services that may be provided to the Funds and to such other accounts.

The private placement and offering memoranda of the Funds contain more detailed descriptions of the applicable and respective conflicts of interests.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Luminus has developed and implemented a Code of Ethics (the "Code") which sets forth standards of conduct that are expected of Luminus' principals and employees and addresses conflicts that arise from personal trading. The Code requires that Luminus and its employees comply with their regulatory requirements, meet the fiduciary obligations to the Funds and adhere to sound business ethics and principles. Each of Luminus' employees must acknowledge their receipt of the Code, their understanding of the provisions contained in the Code, and their agreement to abide by the principles, policies and procedures set forth in the Code.

Luminus' Code addresses, among other things:

- Identification and handling of material non-public information;
- Prevention of insider trading; and
- Reporting and pre-clearance of:
 - personal securities transactions and holdings;
 - gifts and entertainment;
 - political contributions; and
 - outside business activities

Luminus has adopted employee personal trade reporting and monitoring procedures. Luminus' Code and personal trading policies prohibit Luminus' employees from buying or selling securities for their own account which are also recommended to the Funds. These restrictions, however, do not apply to certain security types in which the Funds may also invest, including money market funds, index-based securities (ETFs, iShares, SPDRs), and U.S. Treasuries, among others.

In addition, Luminus' Code requires, among other things, that employees:

- Act within an ethical manner with the public, investors, prospective clients and investors;
- Place the interests of the Funds above their own personal interests;
- Not take inappropriate advantage of their position;
- Attempt to avoid actual or potential material conflicts of interest;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities; and
- Comply with applicable provisions of the federal securities laws.

Employees are required to disclose all outside business activities. In the event an outside business activity presents a material conflict of interest with the Funds, Luminus reserves the right to restrict these outside business activities.

A copy of Luminus' Code of Ethics is available upon request by contacting Luminus' CCO, Jeff Wade; (212) 615-3450; jwade@luminusmgmt.com.

ITEM 12 – BROKERAGE PRACTICES

Selecting Broker-Dealers

Luminus selects brokers based on several factors, including experience, expertise, cost, and execution capabilities. Luminus has instituted policies and procedures to ensure that it will place Fund transactions with appropriate care and diligence, seek best execution and address material conflicts of interest. Luminus generally grants its traders discretion to decide upon the appropriate means of executing a trade. When determining which trading brokers and venues to use, the trader may consider, among other things:

- Listed bids and asks;
- The opportunity for price improvement or execution assurance;
- Transaction costs;
- General trading expertise;

- Anonymity;
- Liquidity;
- Speed of execution;
- Quality of research;
- Expertise with difficult Securities;
- Trading style and strategy;
- Geographic location;
- Frequency of errors; and
- Access to new issues.

As an institutional money manager, Luminus receives access to research made available through brokerage counterparties. Luminus believes this research is available to all institutional money managers of similar size. These bundled services are made available to Luminus on an unsolicited basis and without regard to the rates of commissions charged or paid by Luminus or the volume of business Luminus directs to such broker-dealers. Since these products and services are merely made available by broker-dealers as part of a bundled business package to Luminus, which may or may not use them, it is Luminus' understanding that such broker-dealers do not set discrete prices for such products and services. Accordingly, Luminus does not separately compensate such broker-dealers for the provision of such services and does not believe that it "pays-up" for such broker-dealers' services since the broker-dealers do not break out the costs for such services.

Soft Dollars

Section 28(e) of the Securities Exchange Act of 1934 provides a "safe harbor" for investment advisers who use commission dollars of their advised accounts to obtain brokerage and investment research services that provide lawful and appropriate assistance to the adviser in performing its investment decision making responsibilities. Luminus compensates various service providers for research services that are within the safe harbor of Section 28(e) of the Exchange Act by participating in several commission sharing arrangements ("CSAs"). The CSAs permit Luminus to consolidate payments for research services using accumulated client commissions from securities transactions executed through the broker-dealers sponsoring the CSAs. Luminus makes a good faith determination as to the value of the research services obtained through the CSAs and may obtain input as to the value of such research services from the service providers participating in the programs. The service providers are compensated directly by the broker-dealers sponsoring the CSAs from a pool of commissions that are set aside by the broker-dealers for use by Luminus to obtain the research services. Luminus does not generate any soft dollar credits nor does it maintain any soft dollar arrangements outside of CSAs.

Research products obtained through CSA credits generated by one or more Funds may be used by Luminus to service Funds that may not have paid for the CSA benefits. Luminus does not seek to allocate CSA benefits to Funds in proportion to the CSA benefits the Fund generates. Relationships with broker-dealers providing research to Luminus may influence Luminus' judgment in allocating brokerage business and may create a conflict of interest in using the services of such broker-dealers to execute securities transactions for the Funds. Selecting broker-dealers on the basis of considerations other than applicable commissions may at times result in higher transaction costs than would otherwise be the case.

Luminus derives direct and indirect benefit from research received from broker-dealers, particularly to the extent the same research offsets expenses which Luminus would otherwise pay. Research is not a determining factor for placement of trades or execution. Luminus strives to select broker-dealers that provide favorable execution capabilities and qualities. Brokers may be utilized due to their presence in certain markets and ability to trade certain securities.

Brokerage for Client Referrals

Luminus may also direct some brokerage business to brokers who refer prospective investors to Luminus. Because such referrals, if any, are likely to benefit Luminus but will provide an insignificant (if any) benefit to Fund investors, Luminus will have a conflict of interest with the Funds when allocating brokerage business to a broker who has referred investors to Luminus. Luminus believes that the risk of this conflict is mitigated by its internal best execution procedures, including its quarterly operations meetings. To prevent brokerage commissions from being used to pay investor referral fees, Luminus will not allocate brokerage business to a referring broker unless Luminus determines in good faith that the commissions payable to such broker are reasonable in relation to those available from non-referring brokers offering services of substantially equal value to Luminus.

Trade Aggregation

Refer to Item 6 – “Performance Based Fees and Side by Side Management” for a description of the process by which Luminus aggregates and allocates orders.

Trade Errors

Errors may occur during the trading process. It is Luminus’ policy to correct errors occurring in the management or trading of the Funds’ accounts as soon as practicable. The Fund’s private placement and offering memoranda shall govern the treatment of trade errors committed by Luminus. Errors must also be reported to the CCO and reviewed to determine whether policies or procedures should be changed to prevent future errors. The cost of errors in the Funds’ accounts will be borne by the Funds unless an error is the result of bad faith, gross negligence, or willful misconduct by Luminus or, in the case of Funds subject to ERISA, a breach of ERISA’s standard of care by Luminus. Gains associated with any trade error shall be retained by the affected Funds.

ITEM 13 – REVIEW OF ACCOUNTS

Luminus’ investment professionals review all Fund accounts on a daily basis. A number of factors including, but not limited to, macroeconomic events or policies, political occurrences, weather patterns, natural disasters, research or technological development, company specific events, public filing disclosures, and/or general market price movements may trigger Luminus to consider a new investment or review an existing position.

Luminus furnishes audited financial statements for the Funds to all investors on an annual basis. The Funds’ financial statements including the Funds’ holdings are examined by independent certified public accountants. Luminus also provides investors with unaudited monthly Fund performance updates.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

The general partner of each Fund may, but typically does not, retain affiliated and non-affiliated marketing consultants and agents. As part of these agreements, and in accordance with applicable regulation, the consultants and/or agents may be paid a fee related to the amount of capital raised for each Fund. The Funds are not responsible for the payment of such fees.

ITEM 15 – CUSTODY

To the extent possible, all Fund assets are held in custody by unaffiliated broker/dealers or banks. Luminus is deemed to have custody of the Funds' assets because of Luminus' affiliation to the general partner of each Fund and the general partner's authority over the Funds' assets. Fund investors will not receive statements from the custodian(s). Instead, the Funds are subject to an annual audit by independent certified public accountants and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed to Fund investors within 120 days of the Funds' fiscal year end.

ITEM 16 – INVESTMENT DISCRETION

The Funds' private placement and offering memoranda and investment management agreements authorize Luminus to use a broad range of investment vehicles and strategies with very few, if any, limitations. For a complete explanation of Luminus' trading and portfolio management authority please request a copy of the Funds' private placement or offering memoranda, partnership agreements and/or investment management agreement.

ITEM 17 – VOTING CLIENT SECURITIES

Luminus has the authority to vote the proxies received on securities held by the Funds. Luminus' objective is to vote proxies in the best interests of the Funds as mandated by the Funds' objectives described in the private placement and offering memoranda.

Luminus has contracted with Broadridge Financial Solutions, Inc. ("Broadridge") to provide certain proxy voting services. Broadridge provides proxy voting support by casting votes and keeping voting records. Under the terms of the arrangement with Broadridge, Luminus generally follows the recommendations of Glass, Lewis & Co. ("Glass Lewis"). Glass Lewis is a neutral third party that issues recommendations based on its own internal guidelines and research, and retains a record of all of its recommendations.

Analysts assigned to cover specific companies are designated to monitor and opine on proxy proposals. Analysts consult with the portfolio manager regarding proxy proposals. Luminus may vote client securities in a manner that is inconsistent with Glass Lewis' recommendations when the Management Company believes it is in the best interest of the Funds and such a vote does not create a conflict of interest between the Funds and Luminus.

The analysts assigned to cover the issuer, in consultation with the portfolio manager, will consider whether Luminus is subject to any material conflict of interest in connection with each proxy vote. Analysts must notify the CCO if they are aware of any material conflict of interest associated with a proxy vote. Potential conflicts will be assessed on a case-by-case basis.

Luminus may abstain from voting if the Company deems that abstinence is in the Funds' best interests. In addition, with respect to Funds that have elected to participate in securities lending with a prime broker or other custodian, Luminus may not be able to call back securities to vote and therefore may not have the ability to vote such proxies.

Current investors may request a copy of Luminus' full proxy voting policies and procedures and the voting records as provided by Rule 206(4)-6. Please contact Luminus' CCO, Jeff Wade; (212) 615-3450; jwade@luminusmgmt.com.

ITEM 18 – FINANCIAL INFORMATION

Luminus has never filed for bankruptcy and is not aware of any financial condition that is reasonably expected to affect its ability to manage the Funds' accounts.