

# TRILOMA ENERGY ADVISORS, LLC

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Winter Park, FL 32789

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## ITEM 1 – COVER PAGE

**This brochure provides information about the qualifications and business practices of Triloma Energy Advisors, LLC (“the Adviser”). If you have any questions about the content of this brochure, please contact us at 1-888-773-3526.**

**The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.**

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

The Adviser refers to itself as a “registered investment adviser” in materials distributed to current and prospective clients. As a registered investment adviser with the SEC, the Adviser is subject to the rules and regulations adopted by the SEC under the Investment the Advisers Act of 1940, as amended (“the Advisers Act”). Registration as an investment adviser is not an indication that the Adviser or its directors, officers, employees or representatives have attained a particular level of skill or ability.

## ITEM 2 – MATERIAL CHANGES

This is the initial filing of the Adviser’s Part 2A Brochure.

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#### **ITEM 4 – ADVISORY BUSINESS**

The Adviser is a Florida limited liability company that was formed in January of 2015. At this time, the Adviser conducts all of its advisory business as Triloma Energy Advisors, LLC. The Adviser provides investment advisory and administrative services with respect to closed-end management investment companies (the “Funds”) that are required to be registered under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities have been registered under the Securities Act of 1933, as amended. At present, the Adviser has two clients, Triloma EIG Global Energy Fund (the “Perpetual Fund”) and Triloma EIG Global Energy Master Fund, LLC (the “Master Fund”). The Adviser may, subject to any limitations described in the investment advisory agreements between the Adviser and the Funds (the “Investment Advisory Agreements,” each an “Investment Advisory Agreement”), advise other investment companies, private investment funds, institutional investors or other persons or entities (collectively with the Funds, the “Clients”), following which time the Adviser will make any necessary amendments to this Brochure.

The Adviser does not provide investment advisory services to any individual or retail investors. Throughout this document, the terms “the Client,” “the Clients,” “the Fund” and/or “the Funds” are used synonymously.

The Adviser is responsible for identifying potential investments and participates in the acquisition, management, monitoring and disposition of investments for its Clients. The Adviser evaluates such investments and their appropriateness based on the investment objectives and policies of its Clients, as adopted by their boards of trustees or other governing bodies. If the Adviser determines that certain investments are appropriate, and the Adviser’s investment committee approves such investments, the Adviser will effectuate the investments on behalf of its respective Clients.

From time to time, the Adviser may enter into sub-advisory arrangements with registered investment advisers (each, a “Sub-Adviser”) that possess skills that the Adviser believes will aid it in achieving its Clients’ investment objectives. Any such Sub-Adviser may, among other things, assist the Adviser in identifying investment opportunities and making investment recommendations to the Adviser. The Adviser will be responsible for compensating any such Sub-Adviser.

The Adviser generally offers advice regarding investments in a global portfolio of energy company and project debt, including senior and subordinated debt that may take the form of corporate or project loans or bonds. These investments may be secured or unsecured and may, in some cases, be accompanied by yield enhancements, such as royalty interests in mineral, oil and gas properties, warrants, options, net profits interests, cash flow participations or other forms of equity participation. The Adviser may also

offer such advice with respect to common or preferred stock of energy companies.

The Adviser broadly defines energy companies and projects as the following investment sub-sectors: (i) upstream; (ii) midstream; (iii) downstream; (iv) power; (v) renewables; (vi) resources; (vii) infrastructure; and (viii) other energy. The Adviser generally places energy investment opportunities in three categories: (i) proprietary originations; (ii) opportunistic; and (iii) broadly syndicated/other.

**Proprietary Originations:** The Adviser intends to leverage its relationship with the Sub-Adviser, which has a global sourcing and origination platform, to privately originate investment opportunities. Such investments are originated or structured specifically for the Adviser and Sub-Adviser's clients and are not generally available to the broader market. These investments may include both debt and equity components.

**Opportunistic:** The Adviser intends to seek to capitalize on market price inefficiencies by investing in loans, bonds and other securities where the market price of such investment reflects a lower value than deemed warranted by its fundamental analysis.

**Broadly Syndicated/Other:** The Adviser will also invest in the broadly syndicated loan and high yield debt markets. Broadly syndicated loans and bonds are generally more liquid than privately originated investments and will provide a complement to less liquid investment strategies.

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

As of June 26, 2015, the Adviser does not manage any assets for its Clients on a discretionary or non-discretionary basis.

The principal owner of the Adviser is Triloma Financial Group, LLC, an entity that is ultimately controlled by Nickolas Dolya, Barry Goff, Larry Goff, Nathan Headrick and Michael Wood.

The Adviser also is affiliated by common ownership with Triloma Securities LLC, a separate entity registered as a broker-dealer with the SEC and a member of the Financial Industry Regulatory Authority ("FINRA").

## **ITEM 5 – FEES AND COMPENSATION**

The Adviser has no set policy regarding the calculation of fees for its services and will determine such fees on a Client-by-Client basis, as negotiated with each Client.

The Adviser deducts fees from the Funds' assets, and would deduct fees from the assets of any future Clients. With respect to the Funds, the Adviser is entitled to a management fee. In addition, with respect to the Perpetual Fund the Adviser is entitled to an incentive fee.

The management fee is calculated and payable monthly in arrears at the annual rate of 2.0% of the Funds' average gross assets during the relevant month. The management fee may or may not be taken in whole or in part at the discretion of the Adviser. All or any part of the management fee not taken as to any month will be deferred without interest and may be taken in such other month as the Adviser may determine. The management fee for any partial month will be appropriately prorated.

The incentive fee is earned on pre-incentive fee net investment income (as that term is defined in the Fund

prospectus) and will be calculated and payable in arrears as of the end of each calendar quarter during which the Investment Advisory Agreement is in effect. The incentive fee is subject to a hurdle rate, expressed as a rate of return on the Perpetual Fund's average adjusted capital (as that term is defined in the Fund prospectus) equal to 1.875% per quarter (or an annualized hurdle rate of 7.5%), subject to a catch-up feature.

The calculation of the incentive fee for each quarter is as follows:

- No incentive fee is payable in any calendar quarter in which the Perpetual Fund's pre-incentive fee net investment income does not exceed the quarterly hurdle rate of 1.875%;
- 100% of the Perpetual Fund's pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than or equal to 2.344% in any calendar quarter (9.376% annualized) is payable to the Adviser. This portion of the Perpetual Fund's pre-incentive fee net investment income which exceeds the hurdle rate but is less than or equal to 2.344% is referred to as the "catch-up." The "catch-up" provision is intended to provide the Adviser with an incentive fee of 20% on all of the Perpetual Fund's pre-incentive fee net investment income when the Perpetual Fund's pre-incentive fee net investment income reaches 2.344% in any calendar quarter; and
- 20% of the Perpetual Fund's pre-incentive fee net investment income, if any, that exceeds 2.344% in any calendar quarter (9.375% annualized) is payable to the Adviser once the hurdle rate is reached and the catch-up is achieved (20% of all the Perpetual Fund's pre-incentive fee net investment income thereafter is allocated to the Adviser).

As the Adviser establishes other relationships it may arrange to receive fixed fees or fees paid on some other negotiated basis.

Although the Adviser does not generally utilize the services of broker-dealers for Fund transactions, in the event it chooses to use a broker-dealer, the Funds will bear brokerage and transaction costs to the extent incurred. For additional information regarding brokerage and transaction costs, see Item 12 below.

The Adviser and its employees do not receive (directly or indirectly) any compensation from the purchase or sale of securities or investments for Funds. In addition, the Adviser and its employees do not receive sales commissions in connection with sales of interests in a Fund.

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

As discussed in Item 5 above, the Adviser will be entitled to receive an incentive fee from the Perpetual Fund that represents a percentage of its pre-incentive fee net investment income. However, the Adviser is not entitled to any fees based on a share of capital gains or on capital appreciation of the Funds' assets. Accordingly, this Item is not applicable.

Any performance-based compensation negotiated with future Clients will require an amendment to this Form ADV and will only be charged in accordance with the provisions of Rule 205-3 under the Advisers Act.

#### **ITEM 7 – TYPES OF CLIENTS**

The Adviser provides investment advice to the Funds and not individually to the investors in the Funds. As discussed in Item 4, the Adviser may, subject to any limitations described in the Investment Advisory Agreement between the Adviser and the Funds, advise other investment companies, private investment

funds, institutional investors or other persons or entities.

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

The Adviser will be responsible for evaluating potential investments for its Clients, including the Funds. Any Sub-Adviser engaged by the Adviser may, among other things, assist the Adviser in identifying investment opportunities and making investment recommendations to the Adviser. The Adviser and any Sub-Adviser will review such investments and their appropriateness based on the investment objectives and policies of the Clients, as adopted by the Clients' boards of trustees or other oversight bodies. If the Adviser, together with any Sub-Adviser, determines that such investments are appropriate and both the Adviser's and Sub-Adviser's investment committee approves such investment, the Adviser, with the assistance of any Sub-Adviser, will effectuate investments on behalf of the Clients. The Adviser, with the assistance of any Sub-Adviser, closely monitors and continually services any investments made.

The Adviser, with the assistance of any Sub-Adviser, employs a disciplined, value-oriented investment approach to analyze investments both from the "top-down" and the "bottom-up." The top-down analysis involves a macroeconomic analysis of relative asset valuations, long-term industry trends, business cycles, interest rate and commodity expectations, credit fundamentals and technical factors to target specific energy industry sub-sectors and asset classes in which to invest. The bottom-up analysis includes an analysis of the technical viability, credit fundamentals and capital structure of each portfolio company considered for investment and a thorough review of the impact of commodity, credit and industry trends and dislocation events on a potential investment.

The objective of the due diligence process is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment and identify applicable business, financial, tax, accounting, structural, legal or other issues in order to determine whether an investment is suitable.

When evaluating the suitability of an investment, the Adviser, with the assistance of any Sub-Adviser, intends to use two primary criteria to screen investment opportunities: (i) are the energy projects technically sound and likely to generate the expected cash flows; and (ii) are the management teams sufficiently experienced and capable of executing the business plan the investment would support. This review will consider industry dynamics, competitive position, the quality and track record of the company's management team, margin stability, industry and company trends, pricing terms, expected returns, credit structure, credit ratings, and historical and projected financial data.

The Adviser's general strategy is to invest in a global portfolio of energy company and project debt. The investments will generally include senior and subordinated debt that may take the form of corporate or project loans or bonds, that may be secured or unsecured and that may, in some cases, be accompanied by yield enhancements, such as royalty interests in mineral, oil and gas properties, warrants, options, net profits interests, cash flow participations or other forms of equity participation. The investments may also include common or preferred stock of energy companies. The Adviser broadly defines energy companies and projects as the following investment sub-sectors: (i) upstream; (ii) midstream; (iii) downstream; (iv) power; (v) renewables; (vi) resources; (vii) infrastructure; and (viii) other energy.

The Adviser utilizes various investment strategies, including, among others, leverage, both long-term and short-term purchases and hedging techniques when appropriate. In addition, the Adviser seeks to achieve its Client's investment objectives by investing on a global basis with an emphasis on companies and projects located in the United States, Canada, Western Europe, Australia and Latin America.

Investing in securities involves risks, including the risk that a Client may receive little or no return on a

recommended investment or that a Client may lose part or all of its investment. Investments of the type that the Adviser recommends are subject to various risks, including the summary of key risks below that may have a substantial negative impact on the value of a Clients' investments:

#### Energy Sector Risks

- Investments in energy companies are subject to risks associated with adverse economic, environmental or regulatory occurrences affecting the energy sector;
- Energy companies are subject to significant foreign, federal, state and local regulation in virtually every aspect of their operations, and their profitability could be adversely affected by changes in the regulatory environment;
- There is an inherent risk that energy companies may incur environmental costs and liabilities due to the nature of their businesses and the substances they handle and the possibility exists that stricter laws, regulations or enforcement policies could significantly increase the compliance costs of energy companies, and the cost of any remediation that may become necessary; and
- Some energy companies may be subject to construction risk, development risk, acquisition risk or other risks arising from their strategies to expand operations through new construction or development activities, expanding operations through acquisitions, or securing additional long-term contracts.

#### Investment Risks

- Investments in various types of debt securities and instruments may be secured, unsecured, rated or unrated, are subject to non-payment risk, and may be speculative in nature;
- Increases in interest rates may cause the investments in fixed rate debt securities to decline in price;
- Generally, investments in debt securities with longer-term maturities are subject to greater volatility than investments in shorter-term obligations;
- Subordinated investments in debt have lower priority in right of payment to any higher ranking obligations of the borrower, and the cash flows and assets of the borrower may be insufficient to meet scheduled payments after giving effect to any higher ranking obligations of the borrower;
- During periods of declining interest rates, borrowers or issuers may exercise their option to prepay principal earlier than scheduled, which could reduce income and returns;
- Below investment grade instruments (commonly referred to as "high yield" securities) may be particularly susceptible to economic downturns, which could cause losses. Most investments will not be rated by any rating agency and, if they were rated, they would be rated as below investment grade quality. Investments rated below investment grade quality are generally regarded as having predominantly speculative characteristics and may carry a greater risk with respect to a borrower's capacity to pay interest and repay principal;
- Investments in securities and other obligations of companies that are experiencing distress involve a substantial degree of risk, require a high level of analytical sophistication for successful investment and require active monitoring;
- Investments in expectation of a specific event or catalyst can result in losses if the event or catalyst fails to occur or it does not have the expected effect or does not occur in the expected timeframe;

- Certain investments may be exposed to the credit risk of the counterparties with whom the Client deals;
- The Client may invest in illiquid and restricted securities that may be difficult to dispose of at a fair price;
- The valuation of securities or instruments that lack a central trading place (such as fixed-income securities or instruments) may carry greater risk than those which trade on an exchange;
- The value of convertible securities may be adversely affected by changes in interest rates, as well as the market price and volatility of the underlying security;
- The value of equity securities may fluctuate in response to factors affecting the particular company investment, as well as broader market and economic conditions;
- Investments in derivatives have risks, including the imperfect correlation between the value of such instruments and the underlying assets; and
- Leverage could create the opportunity for higher income and returns, but can magnify the effect of any losses.

#### Non-U.S. Investment Risks

- Investments may be materially adversely affected by market, economic and political conditions globally and in the jurisdictions and sectors in which the Client invests;
- Investments in certain securities or other instruments of non-U.S. issuers or borrowers (“Non-U.S. Securities”) may involve factors not typically associated with investing in the United States or other developed countries;
- Non-U.S. Securities may be traded in undeveloped, inefficient and less liquid markets and may experience greater price volatility, illiquidity and changes in value than U.S. securities;
- Changes in foreign currency exchange rates may adversely affect the U.S. dollar value of and returns on foreign denominated investments; and
- Credit intermediation involving entities and activities outside the regular banking system (e.g., the “shadow banking system”) could result in increased regulatory and operating costs, which could adversely affect the implementation of a Fund’s investment strategies and its income and returns.

### **ITEM 9 – DISCIPLINARY INFORMATION**

The Adviser is obligated to disclose any disciplinary event that would be material to a Client when evaluating a client/adviser relationship. The Adviser has no such legal or disciplinary events.

### **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS**

#### Registration as a Broker-Dealer or Registered Representative

The Adviser is not registered as a broker-dealer, however the Adviser is affiliated by common ownership with Triloma Securities LLC, a separate entity registered as a broker-dealer with the SEC

and a member of the Financial Industry Regulatory Authority (“FINRA”).

Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading the Adviser or Associated Person

Not applicable.

Material Relationships and Conflicts of Interest

Certain inherent conflicts of interest arise from the fact that: (i) the Adviser may provide investment advisory services to more than one Client; and (ii) Clients may have one or more overlapping investment objectives. Should conflicts of interest arise in the context of these common ownership relationships, they will be addressed in accordance with the Code of Ethics (described in further detail in Item 11 below), the compliance policies and procedures, and in the governing documents of the Funds, as applicable.

The Adviser and its personnel may have conflicts in allocating their time and service among Funds and, subject to the provisions of a Fund’s prospectus documents to the contrary, neither the Adviser nor its related persons are obligated to allocate any specific amount of time to a particular Fund. The Adviser and its related persons intend to devote as much time as they deem necessary for the conduct of each Fund’s operation and portfolio management.

Associated persons of the Adviser may, from time to time, come into possession of material non-public information in relation to certain parties that may be involved with one or more transactions contemplated on behalf of Clients. The Adviser maintains a Code of Ethics, as described in Item 11 below and provides training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under the Adviser’s policies and procedures. For example, the Adviser maintains a list of restricted securities and associated persons are subject to trading restrictions and are prohibited from engaging in transactions with respect to the securities or instruments of any company to whom the material, non-public information relates. In addition, the Adviser may establish information barriers to separate persons who make investment decisions from others who might possess material non-public information that could influence such decisions.

It is possible that the internal controls relating to the management of material non-public information could fail and result in the Adviser, or one of its associated persons, buying or selling a security while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on the reputation of the Adviser, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact the Adviser’s ability to perform investment advisory services on behalf of Clients.

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of the Adviser, its affiliates, and their respective personnel. The Adviser will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances.

To the extent permitted by the 1940 Act and SEC staff interpretations, and subject to the allocation policies of the Adviser, any Sub-Adviser and any of their respective affiliates, as applicable, the Adviser, the Sub-Adviser and any of their respective affiliates may determine it appropriate for the Funds and one or more other investment accounts managed by the Adviser, the Sub-Adviser or any of their affiliates to participate in an investment opportunity. The Funds may seek exemptive relief from the SEC to engage in co-investment opportunities together or with a Sub-Adviser and its affiliates. However, there can be no assurance that the Funds will obtain such exemptive relief. Any of these co-



investment opportunities may give rise to conflicts of interest or perceived conflicts of interest among the Funds and the other participating accounts. To mitigate these conflicts, the Adviser and/or the Sub-Adviser, as applicable, will seek to execute such transactions for all of the participating investment accounts, including the Funds, on a fair and equitable basis and in accordance with their respective allocation policies, taking into account such factors as the relative amounts of capital available for new investments and the investment programs and portfolio positions of the Funds, the clients for which participation is appropriate and any other factors deemed to be appropriate; and

The 1940 Act prohibits certain “joint” transactions with certain of the Fund’s affiliates, which could include investments in the same portfolio company (whether at the same or different times), without the prior approval of the SEC. If a person, directly or indirectly, acquires more than 5% of the Fund’s voting securities, the Fund will be prohibited from buying securities or other property from or selling any securities or other property to such person or certain if that person’s affiliates, or entering into joint transactions with such persons, absent the availability of an exemption or prior approval of the SEC. Similar restrictions limit the Fund’s ability to transact business with its officers or trustees or their affiliates. The SEC has interpreted the 1940 Act rules governing transactions with affiliates to prohibit certain “joint transactions” involving entities that share a common investment adviser. As a result of these restrictions, the scope of investment opportunities that would otherwise be available to the Funds may be limited.

To mitigate these conflicts, the Chief Compliance Officers of the Adviser and the Funds will periodically meet with personnel of any Sub-Adviser, including its Chief Compliance Officer, to, among other things, review policies and procedures that are applicable to the Sub-Adviser in its capacity as investment sub-adviser to a Client, and the Sub-Adviser’s compliance with such policies and procedures.

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

The Adviser has adopted a Code of Ethics pursuant to Rule 204A-1 of the Advisers Act (the “Code”) establishing procedures that govern the conduct and securities transactions of each of the Adviser’s officers, employees and supervised persons. The Code is designed to prevent violations of the fiduciary responsibilities owed by the Adviser to its Clients. It contains provisions relating to the confidentiality of firm information, a prohibition on insider trading, a discussion of media relations, a policy on gifts and personal securities trading procedures, among other things. All supervised persons of the Adviser are required to acknowledge the terms of the Code annually, or when amended.

The Code is designed to ensure that the personal securities transactions, activities and interests of the officers, employees and supervised persons of the Adviser will not interfere with i) making decisions in the best interest of advisory Clients and ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, transactions involving certain classes of securities have been designated as exempt transactions, based upon a determination that trading in these securities would not materially interfere with the best interests of the Clients. In addition, the Code requires pre-clearance of certain transactions. Employee trading is monitored under the Code to reasonably prevent conflicts of interest between the Adviser and its Clients. Generally, the securities purchased for the Adviser’s Clients are not available to the retail investor. The Adviser also has a separate policy with respect to insider trading.

The Adviser’s Clients or prospective Clients may request a copy of the Code by contacting the Chief Compliance Officer, Triloma Energy Advisers, LLC, 201 N. New York Avenue, Suite 250, Winter Park, FL 32789.

As discussed in Item 10, conflicts may arise from time to time as result of the Adviser's relationship with their affiliates.

## **ITEM 12 – BROKERAGE PRACTICES**

The Adviser will have responsibility for decisions to buy and sell securities and other instruments for its Clients, the selection of brokers and dealers to effect the transactions and the negotiation of prices and any brokerage commissions on such transactions, although the Adviser delegates the responsibilities to execute many of its Clients' portfolio transactions to a Sub-Adviser.

### **Selection of Broker-Dealers**

#### *Execution Quality*

While the Adviser primarily makes its investments directly with the issuers of the securities in which it is investing, there may be situations where it places trades through a broker. In such circumstances, the Adviser will seek "best execution" in light of the circumstances involved in transactions. In selecting a broker for any transaction, the Adviser may consider a number of factors, including, for example, broker's reputation, net price or spread, reputation, financial strength and stability, volume/capacity, market access, efficiency of execution and error resolution, and the size of the transaction. The Adviser will not obligate itself to obtain the lowest commission or best net price for a client on any particular transaction.

#### *Research and Other Soft Dollar Benefits*

While the Adviser generally acquires securities in direct transactions with the issuers and does not intend to have any soft dollar arrangements, any decisions involving soft dollars will be made in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. That is, the Adviser will generally determine, considering all appropriate factors, that commissions and fees paid are reasonable in relation to the value of all the brokerage and research products and services provided by the broker-dealer.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **Periodic Account Review**

The investments made by the Funds are generally illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Adviser, with the assistance of the Sub-Adviser, closely monitors the portfolio companies and instruments in which the Funds invest. All Funds are reviewed on a regular basis, both informally and formally, through scheduled periodic meetings of the relevant investment professionals and investment committees. Account reviews focus on the review of all portfolio securities using fundamental and technical analysis and monitor operations performance, financial performance and strategic direction of each portfolio investment owned by a Fund. Particular attention is given to changes in investment fundamentals, industry outlook, market situation, and general economic trends.

### **Non-Periodic Account Review**

Other than the periodic review of accounts described above, a review of Funds and their portfolio investments may be triggered by any significant unexpected event, which may include market or liquidity events.

#### Client Reports

As soon as practicable after the end of each calendar year, the Adviser will prepare information identifying the sources of its distributions for tax purposes. In addition, the Adviser will prepare and transmit an unaudited semi-annual and an audited annual report within 60 days after the close of the period for which the report is being made, or as otherwise required by the 1940 Act.

The Adviser, in its discretion, may provide more frequent reports and/or more detailed information to all or any of the Funds, their boards of trustees or other governing bodies.

### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

The Adviser does not retain consultants or other parties to solicit Clients on its behalf.

### **ITEM 15 – CUSTODY**

The Adviser does not custody assets and requires its Clients to provide their own qualified custodian.

### **ITEM 16 – INVESTMENT DISCRETION**

Subject to any investment restrictions set forth in the prospectus documents, the Adviser has discretionary authority to invest on behalf of its Clients. The Adviser evaluates all investments and their appropriateness based on the investment objectives and policies of its Clients. The Adviser's discretionary authority is derived from its authority as the investment adviser of each Fund and its authority pursuant to an Investment Advisory Agreement entered into between the Adviser and each Fund.

### **ITEM 17 – VOTING CLIENT SECURITIES**

Generally, the Adviser invests, on behalf of its Clients, in public and private energy related debt securities. As a result, it generally is not expected that the Adviser will be required to vote proxies with respect to the assets owned by the Funds. In the event that the Adviser is required to vote proxies on behalf of its Clients, except to the extent that a Client otherwise instructs the Adviser in writing, the Adviser will vote (by proxy or otherwise) in all matters for which a shareholder vote is solicited by, or with respect to, issuers of securities beneficially held by a Fund in accordance with the Adviser's proxy voting policies and procedures (the "policies").

Regardless of how the Adviser obtains voting authority in Client securities (at time of acquisition or upon certain triggering events), the Adviser endeavors to vote in such a way as to satisfy the goals and objectives of the particular Client and pursuant to any written arrangements with a Client.

Consistent with the requirements of Rule 206(4)-6 under the Advisers Act, before voting Client securities, the Adviser's investment teams will consider all the relevant facts and circumstances surrounding the matter to be voted upon and any documents provided in connection with such matter, and will establish that: (i) there is a clear understanding of the vote at hand, (ii) any potential conflicts of interest are identified and communicated to the Client prior to voting, and (iii) disclosure is provided as to how Clients may obtain information on how their securities were voted.

Upon request to the Adviser, Fund investors may obtain a copy of the Adviser's Policies or information on how the Adviser voted shares on behalf of the Fund.

#### **ITEM 18 – FINANCIAL INFORMATION**

At this time, the Adviser is not aware of any financial condition that could impair its ability to meet its contractual obligations to its Clients. The Adviser has never been subject to a bankruptcy petitions, including in the past ten years.

#### **ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not applicable.