

Mountain Capital Management, LLC

83 Duncan Drive
Greenwich, CT 06831
(917) 376-6777

Part 2A of Form ADV: Firm Brochure

October 6, 2015

This Brochure provides information about the qualifications and business practices of Mountain Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (917) 376-6777. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Mountain Capital Management, LLC is also available on the SEC's website at <http://www.adviserinfo.sec.gov/>. An investment adviser's registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

This Brochure is Mountain Capital Management, LLC's initial Form ADV Part 2A. In future filings any material changes will be outlined in this section of the document.

Item 3. Table of Contents

Item 1. Cover Page.....	1
Item 2. Material Changes.....	2
Item 3. Table of Contents	3
Item 4. Advisory Business	4
Item 5. Fees and Compensation	5
Item 6. Performance-Based Fees and Side-by-Side Management	8
Item 7. Types of Clients.....	8
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9. Disciplinary Information	23
Item 10. Other Financial Industry Activities and Affiliations.....	24
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	24
Item 12. Brokerage Practices	25
Item 13. Review of Accounts.....	25
Item 14. Client Referrals and Other Compensation.....	26
Item 15. Custody	26
Item 16. Investment Discretion.....	26
Item 18. Financial Information.....	27

Item 4. Advisory Business

Mountain Capital Management, LLC (the “Management Company”), a Delaware limited liability company, is a private investment management firm focused on making investments in the energy industry.

The Management Company and its affiliates (collectively, “Mountain Capital”), including Mountain Capital Management GP, LP, a Delaware limited partnership (the “General Partner”), provide investment supervisory services to their clients (the “Clients”), which currently consist of private investment funds. The General Partner is deemed to be a Registered Investment Adviser under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”) pursuant to the Management Company’s registration in accordance with SEC guidance. The Management Company and the General Partner (together with any future general partners of any future Fund (as defined below), collectively, the “Advisers”) operate as a single investment advisory firm and under common control.

The Advisers currently provide investment supervisory services to Mountain Capital Partners, LP and its related vehicles (including related parallel funds, feeder funds, alternative investment vehicles and other related entities, collectively, “Fund I”). The Advisers may in the future provide investment advisory services to other private investment funds, employee and co-investment vehicles, alternative investment vehicles and separate accounts (collectively with Fund I, the “Funds”). Fund I makes investments in private equity and, in certain instances, other equity and debt securities of public and private issuers (including securities convertible into equity and debt securities), derivative instruments and any other financial instruments or assets that the Advisers believe may help achieve the Fund’s investment objective. Any future Funds or Clients may have similar or different investment objectives.

Pursuant to each Fund’s limited partnership agreement or similar governing document (each, an “Operating Agreement”), the Advisers have the authority to manage the business and affairs of the Funds.

The Advisers’ advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. Such services are detailed in the applicable disclosure documents, Operating Agreements and other governing agreements for the applicable Fund (collectively, the “Fund Documents”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” While each Operating Agreement is subject to negotiation by Fund investors, once committed to a Fund, Fund investors participate in a Fund’s overall investment program and generally may not withdraw their capital or impose any limitations on the Advisers’ ability to manage a Fund, although investors may be excused from participating in a particular investment due to legal, regulatory or other applicable constraints in accordance with the provisions of the applicable Fund Documents or pursuant to other contractual rights included in the applicable Fund Documents. For example, Investors in Fund I have certain opt-out rights with respect to Fund I investments, as detailed in the Fund Documents for Fund I. Each Fund

or Adviser may also enter into letter agreements, parallel investment agreements, other co-investment agreements or other similar agreements (collectively, “Side Letters”) with certain investors that have the effect of establishing rights under, altering or supplementing the Operating Agreement for a particular Fund, including providing informational rights, co-investment rights, addressing regulatory matters, varying economic rights (including fees and carried interest), or providing other specialized rights and benefits with respect to such investors. In addition, from time to time, the Advisers may provide (or agree to provide) certain investors or other persons the opportunity to participate in co-invest vehicles that will invest in certain portfolio companies alongside a Fund.

The Management Company commenced operations in September 2015. The principal owner of the Management Company is Samuel Oh.

Item 5. Fees and Compensation

In general, as compensation for investment supervisory services rendered to the Fund, the Advisers are paid an annual management fee (“Management Fee”) and a carried interest from a Fund. The Advisers or their affiliates may also receive additional compensation in connection with management and other services performed for Fund portfolio companies (e.g., monitoring or other fees) and all or a portion of such additional compensation may offset the Management Fees otherwise payable to the Advisers. In addition, investors bear additional expenses and may bear additional fees as set forth in the applicable Fund Documents. Investors should review the Fund Documents for the applicable Fund for details regarding the fee structures summarized below. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the applicable Fund Documents.

Management Fees

With respect to Fund I, the Management Fee is based on the Advisers’ projected operating budget for the applicable period. The Management Fee for Fund I will be reduced upon a successor fund commencing to pay Management Fees. The Management Fee for Fund I is paid quarterly in advance. Management Fees for other Funds will be paid as set forth in the Fund Documents for such Fund. Installments of the Management Fee payable for any period other than a full fiscal quarter period may be proportionately adjusted to the extent provided in the Fund Documents for the applicable Fund.

As set forth in the Fund Documents for Fund I, Fund I’s Management Fee may be reduced, although not below zero, by a portion of directors’ fees, transaction fees, topping fees, break-up fees and success fees or certain other fees paid to the Advisers and certain of their affiliates, but will not be reduced for fees and compensation paid to Operating Partners or Senior Advisors (defined below).

The Fund Documents for any Fund may allow the General Partner to waive or agree to reduce the Management Fee for one or more investors without waiving or reducing it for all investors.

Carried Interest

The General Partner is entitled to receive a carried interest for each Fund as set forth in the Fund Documents for such Fund. The carried interest for Fund I will generally be calculated as a percentage of all realized profits in excess of a preferred return and related general partner catch-up. Unless otherwise provided in the Fund Documents for a particular Fund, the carried interest distributed to each Fund's general partner is generally subject to a potential clawback at the end of the applicable Fund's life if the applicable Fund general partner has received excess cumulative carried interest distributions.

Other Fees and Expenses

The Funds are generally expected to invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in any applicable Fund Documents, over the term of the Fund and investors generally are not permitted to withdraw from or redeem interests in the Fund.

Principals or other employees of the Advisers and their affiliates, and Operating Partners and Senior Advisors, may receive a portion of the Management Fee, carried interest or other compensation received by the Advisers or their affiliates. In addition, an Adviser may exempt certain Fund investors, including the Advisers and their affiliates, from payment of all or a portion of any applicable Management Fees and/or carried interest.

In addition, a Fund portfolio company, a Fund on behalf of a prospective portfolio company or any of their respective affiliates may, from time to time, retain Operating Partners or Senior Advisors to provide services to or in respect of a Fund or any portfolio company or prospective portfolio company of a Fund. Operating Partners and Senior Advisors are entitled to retain any arm's length market-based fees and other compensation received from a portfolio company or from a Fund on behalf of an existing or prospective portfolio company, and any such fees or compensation will not reduce the Management Fee. For purposes hereof, (i) "Operating Partners" means either full-time or part-time professionals with responsibilities that may include maintaining daily interaction with portfolio company management teams, taking on temporary management responsibility at companies on an as-needed basis and having a role in opportunity sourcing, and (ii) "Senior Advisors" means a person who may serve on the Advisers' investment committee for a particular Fund and perform functions similar to a director on a board of directors, with primary responsibilities to assist in the investment decision process and offer strategic guidance to the applicable Fund.

To the extent provided in the applicable Fund Documents, in addition to the Management Fee, each Fund will pay all other fees, costs and expenses attributable to the Fund's operation and activities, including but not limited to fees, costs, expenses and liabilities related to the following: (i) management, conduct and operation of the Fund and its business or otherwise attributable to the existence of the Fund and its related entities, including fees, costs and expenses relating to the maintenance of registered offices, corporate licensing and similar expenses; (ii) sourcing, finding, investigating, negotiating, acquiring, monitoring, holding, selling, exchanging or otherwise disposing of prospective and actual investments, including private placement fees, sales commissions, appraisal

fees, taxes, brokerage fees, research fees, commitment fees, underwriting commissions and discounts, fees and expenses related to market data, and third party legal, accounting, auditing, investment banking, third-party industry and/or due diligence experts, finders, originators, consulting fees, communications and reasonable travel fees, costs and expenses (which travel expenses may include first or business class travel for long distances); (iii) third party legal, auditing, consulting, accounting, valuation, regulatory compliance (including investment advisor compliance reviews and examinations), data provider services (including management systems and software), custodians and administrators; (iv) meetings of the Advisory Committee and any fees and disbursements of attorneys, auditors and accountants, including independent experts and third-party professionals appointed by the Advisory Committee; (v) meetings with or of partners called by the Advisers or any meetings of a committee established pursuant to the Operating Agreement (including the Advisory Committee) (and ancillary activities related thereto) or the annual meeting of the partners (including travel, meal and lodging expenses of the Advisory Committee and other reasonable expenses of the investors as determined in the Advisers' reasonable discretion, in each case, incurred in connection with attending the annual meeting); (vi) directors and advisory fees paid to any Operating Partner or Senior Advisor; (vii) the Fund's financial statements, reports, notices, tax returns, Schedule K-1's (or similar schedules), other costs of reporting to or otherwise communicating with investors, including expenses incurred in connection with providing the investors access to a database or other forum hosted on a website designated by the Advisers and costs and expenses with respect to the tax matters partner's representation of the Fund and its investors; (viii) printing and delivery expenses; (ix) bank and custodial accounts and services; (x) insurance and litigation expenses, including insurance premiums or expenses (including in respect of errors, omissions, fidelity, general partner liability, directors' and officers' liability and similar coverage for the Advisers and their respective affiliates and related persons, any other persons acting on behalf of the Fund and any persons acting on behalf of the Advisers or the Fund); (xi) Fund borrowings or other Fund indebtedness, including fees, costs and expenses incurred in obtaining lines of credit, loan commitments and letters of credit for the account of the Fund and in guaranteeing the obligations of any portfolio companies or their affiliates, credit facilities, securitizations, margin financing and derivatives and swaps; (xii) the Fund's indemnification obligations, including the amount of any judgments, settlements or fines paid in connection with any litigation, governmental inquiry, investigation or proceeding involving the Fund, the Advisers or their respective affiliates, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the applicable Operating Agreement; (xiii) taxes, fees and other governmental or regulatory charges, and regulatory and legal fees and expenses (and damages) of the Advisers and their respective affiliates in connection with ongoing compliance, filings and reporting obligations under the Advisers Act, the U.S. Dodd-Frank Wall Street Reform Act, "blue sky," the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers or any other applicable laws, including filing fees and expenses and expenses related to the preparation and filing of Form PF and other similar regulatory filings, or incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving the Fund, the Advisers or their respective affiliates; (xiv) the winding up, termination, dissolution or liquidation of the Fund, the Advisers or any of their related vehicles (including any parallel fund, feeder fund, alternative investment vehicle or special purpose entity); (xv) defaults by

investors in the payment of any capital contributions; (xiv) transactions not consummated (including costs of any proposed co-investment or co-investment fund that is not consummated, and including broken deal expenses, diligence and pursuit expenses, and other third party out-of-pocket expenses); (xvii) any restructuring, modifications, revisions or amendments to the constituent documents of the Fund and related entities, including the Advisers, any parallel funds, feeder funds, alternative investment vehicles and special purpose entities; (xviii) the formation, organization and offering of interests in the Fund and related entities, including the Advisers, any parallel funds, feeder funds, alternative investment vehicles and special purpose entities, and all costs of operation of alternative investment vehicles and special purpose entities, and including all legal, accounting and filing expenses incurred by the Fund and the Advisers in connection with organizing and establishing the Fund and the Advisers and the marketing and offering of interests in the Fund; (xix) distributions to the investors; (xx) computing the value of the assets of the Fund (including, as applicable, fees, costs and expenses associated with advisors, independent pricing services and third party valuation consultants); (xxi) hedging transactions for the Fund; (xxii) expenses incurred in connection with compliance with side letters and most favored nations processes; (xxiii) other extraordinary, nonrecurring matters; and (xxiv) any other fees, costs and expenses of the Fund and related entities, including the Advisers, any parallel funds, feeder funds, alternative investment vehicles and special purpose entities, provided for in the applicable Fund Documents.

The Advisers will pay (from the Management Fees) their own ordinary administrative and overhead expenses incurred in managing the Funds, principally salaries, benefits and rent. The Advisers will also compensate the Operating Partners and the Senior Advisors. All of the foregoing will be included in the Advisers' operating budgets used to establish the periodic Management Fees.

Item 6. Performance-Based Fees and Side-by-Side Management

As described under "Fees and Compensation," the Advisers may receive performance-based fees and/or distributions based upon the performance of a Client's account. The Advisers currently advise only Funds that are charged a performance-based fee, but the Advisers maintain policies designed to treat all Clients fairly and equitably and to prohibit allocation of investments to a Client on the basis that an Adviser has a higher potential to earn carried interest or other performance-based compensation.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to Fund I. The investors participating in Fund I (and any future Clients) may include high net worth individuals, banks, insurance companies, pension and profit-sharing plans, trusts, estates or charitable organizations, educational and research institutions, corporations or other business entities or other investment entities, and may include, directly or indirectly, the Advisers and their employees and affiliates.

Interests in Fund I are offered pursuant to applicable exemptions from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the U.S. Investment Company Act of 1940, as amended (the “1940 Act”). Investors in Fund I are required to be “accredited investors” as defined in the Securities Act. Minimum investment amounts for third-party investors vary and may be waived by the applicable Fund’s Advisers.

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

Methods of Analysis and Investment Strategies

The Management Company provides day-to-day investment advisory services to the Funds, subject to the supervision of the applicable Fund’s general partner. Each Fund’s investment committee (“Investment Committee”) has ultimate decision-making authority for such Fund. The Advisers’ general investment methodology is described below. Investors should refer to the applicable Fund Documents for further information regarding investment strategies employed for a specific Fund.

The Advisers seek investment opportunities in private equity. Prior to making an investment, the Advisers carry out extensive analysis of a target investment. The Advisers generally focus their analysis on small and middle market energy companies and on energy assets located in the United States and Canada.

The Advisers’ philosophy is generally to approach each investment as co-owners and principals with the management team in order to execute operational and strategic change. The Advisers do so through a collaborative approach with senior management with a focus on corporate strategy, merger and acquisition activity, operational discipline, and financial structuring. The Advisers do not typically seek to run day-to-day operations. In all cases, the Advisers attempt to closely align the interests of management with the applicable Fund’s interests.

Competitive Position. Often at the heart of strategic due diligence is a thorough analysis of each competitor’s relative cost position, market and segment shares, technology, management, financial capability, and implicit future strategy.

Cost Analysis. The Advisers seek to break down a business’s cost structure into elements, which are driven by common factors, referred to as “cost drivers.” Prepared with an understanding of the factors that will drive a business’s cost position, actions can be targeted that will reduce costs and improve margins, eliminate unnecessary costs, and build sustainable advantage and value.

Capabilities and Assets. Generally, a business enjoys, or can develop, distinctive capabilities that set it apart from other participants in its industry. The value and potential of these capabilities can be measured. These capabilities may include design and operational expertise, attractive oil and gas minerals, geological and engineering knowledge, and technology.

Management. The Advisers evaluate members of the management team, work to ensure that economic incentives post-closing are aligned with the business plan, and take steps to support the management team.

Harvest Analysis. Before making an investment, the Advisers explore alternative options for future liquidity.

Risks

Investing in securities involves a substantial degree of risk. Clients, and investors in any Fund, may lose all or a substantial portion of their investments, and any Clients, and investors in any Fund, must be prepared to bear the risk of a complete loss of their investments.

The following list is not a complete list of all risks involved in connection with an investment in a Fund. Investors in the Funds (“Investors”) should review the applicable Fund Documents and subscription materials for additional information regarding risks and conflicts of interest specific to that Fund. In general, the risks applicable to the Fund and the activities of the Advisers and their respective affiliates include, but are not limited to:

Risks Related to Investing in the Fund

Long-Term Nature of Investment; Illiquidity. An investment in the Fund requires a long-term commitment, with no certainty of return. Generally, the Fund’s investments will be illiquid, and there can be no assurance that the Fund will be able to realize on such investments in a timely manner or at all. There may be little or no near-term cash flow available to the Investors. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the Investors. The Fund typically will acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. Additionally, the realizable value of a highly illiquid investment may be less than its intrinsic value. While an investment may be sold at any time, it is generally not expected that partial or complete dispositions of investments will result in a return of capital or the realization of gains (if at all) for a number of years after an investment is made. A variety of factors (including economic conditions, asset conditions, political and regulatory considerations and public opinion) could affect the ability of the Fund to buy or sell investments on favorable terms.

No Market for Limited Partnership Interests; Restrictions on Transfers. An investment in a Fund is suitable only for certain sophisticated investors that have no need for immediate liquidity in their investment and who understand that they may lose all or a significant portion of their invested capital. Investors must be willing to bear the economic risk of an investment in the Fund for an indefinite period of time. Interests in the Funds (“Interests”) have not been registered under the Securities Act, the securities laws of any state of the U.S. or the securities laws of any other jurisdiction; and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and other applicable

securities laws or an exemption from registration is available. It is not contemplated that registration of the Interests under the Securities Act or other securities laws will ever be effected. There is no public market for the Interests and one is not expected to develop. An Investor may not assign or encumber any Interest in a Fund except with the prior written consent of the Fund's general partner (which may be withheld in such general partner's sole discretion), and subject to various other limitations. Transfer of an Investor's Interest in the Fund will not necessarily relieve such Investor of its obligations in respect of its unpaid capital commitment. Any credit facility of a Fund, which may be secured by a pledge of unfunded capital commitments, may impose additional restrictions on the transferability of Interests in such Fund. Except in extremely limited circumstances, withdrawals from a Fund will not be permitted.

No Assurance of Investment Return. An investment in a Fund involves a significant degree of risk. None of the Advisers can provide assurance that they will be able to choose, make, and realize investments in any particular Fund investment. There can be no assurance that any Fund will be able to generate returns for its Investors or that the returns will be commensurate with the risks of investing in the type of assets and transactions described herein or in the applicable Fund Documents. There can be no assurance that any Investor will receive any distribution from the Fund. Accordingly, an investment in the Fund should only be considered by persons who can afford a loss of their entire investment. Past or current activities of the Advisers' management team provide no assurance of future success. There can be no assurance that projected or targeted returns for any Fund will be achieved.

Investors Will Not Participate in Management of the Funds. The Advisers will have the exclusive responsibility for each Fund's activities, including the management, day-to-day operations and investment and disposition decisions for each Fund. Accordingly, an Investor must rely upon the ability of the Advisers in making, monitoring and disposing of investments in a manner consistent with the applicable Fund's Operating Agreement, investment objectives and policies. Investors will have almost no control over their investments in a Fund. Investors generally will not have the opportunity to approve investments or to independently evaluate the information that will be utilized by the Advisers in the selection, management or disposition of investments, with certain limited exceptions for certain Funds as described in the applicable Fund Documents.

Limited Access to Information. Investors' rights to information regarding a Fund will be specified, and strictly limited, in the applicable Fund Documents. In particular, it is anticipated that a Fund's general partner will obtain certain types of material information from investments that will not be disclosed to Investors because such disclosure is prohibited by contractual, legal or other obligations. Decisions by a Fund's general partner to withhold information may have adverse consequences for Investors in a variety of circumstances. For example, an Investor that seeks to transfer its Interests may have difficulty in determining an appropriate price for such Interests. Decisions to withhold information also may make it difficult for Investors to monitor the Fund's general partner and its performance. Additionally, it is expected that Investors who designate representatives to participate on a Fund's Advisory Committee may, by virtue of such participation, have more information about the Fund and investments in certain circumstances than other Investors generally and may be disseminated

information in advance of communication to other Investors generally.

Dependence on Key Personnel. The success of each Fund depends in substantial part upon the skill and expertise of Sam Oh and the other members of the Advisers' management team, including those individuals employed by the Advisers and their respective affiliates. However, there can be no assurance that Sam Oh or such other professionals will continue to be associated with the Advisers or their respective affiliates throughout the life of a Fund. The loss of one or more members of the Advisers' management team or other key personnel could materially and adversely affect a Fund and the performance of its investments. A Fund may not be able to successfully recruit additional personnel and any additional personnel that are recruited may not have the requisite skills, knowledge or experience necessary or desirable to enhance the incumbent management.

Lack of Operating History and Experience. A Fund consists of one or more newly formed entities that have not commenced operations prior to their initial closing. Therefore no Fund has any operating history upon which prospective Investors may evaluate its performance or upon which an Investor can base its prediction of future success or failure. In addition, although the Mountain Capital management team has significant experience in making private equity investments in the oil and gas industry, the Advisers are recently formed entities also with no operating history. Funds may be permitted to make investments in markets in which the Advisers and their respective affiliates have no prior operating experience. Accordingly, a Fund may compete for assets with entities that may have greater experience and knowledge of such markets and may have better relationships with sellers, brokers, lenders or others in such markets. Investments in new markets may require more management time, staff support and expense in order to develop and maintain an appropriate knowledge base and relevant relationships.

Reliance on Portfolio Company Management. Funds may seek to hold management rights, including board representation or other rights, with respect to some or all of their investments. However, there is no assurance that these rights, if sought, will be obtained. Furthermore, even in cases where a Fund may be represented on management boards or have other management rights, such Fund may not have an active role in the day-to-day operations of its investments. The success or failure of a Fund's portfolio companies may depend to a significant extent on the financial and management talents and efforts of specific employees of such portfolio companies, whose death, disability or resignation could adversely affect the performance of the portfolio company. In addition, a Fund may co-invest with non-affiliated co-investors whose ability to influence the day-to-day management and affairs of a portfolio company may be significant and even greater than that of the Fund.

Effect of Fees and Expenses. Each Fund is expected to pay a management fee to an Adviser or its affiliates and to bear various expenses. Such fees and expenses in the aggregate are expected to be substantial and will reduce actual returns to Investors. Such fees and expenses will be paid regardless of whether a Fund produces positive investment returns. If the Fund does not produce significant positive investment returns, the fees and expenses paid by the Fund could reduce the amount of the investment recovered by an Investor to an amount less than the amount invested in such Fund by such Investor.

Indemnification and Exculpation. Each Fund will generally indemnify and exculpate the Advisers and

each of their respective affiliates and the respective employees, officers, agents, partners, members and shareholders of the foregoing, and may also indemnify and exculpate other persons and entities including members of the applicable Advisory Committee (collectively, the “Covered Persons”), from and against all liabilities to which they may be or may become subject by reason of their activities on behalf of such Fund, except in certain limited circumstances specified in the applicable Fund Documents. As a result, the Fund and the Investors may have a more limited right of action against these persons than they might otherwise have. Fund assets will be available to indemnify the Covered Persons, and Investors may be required to make capital contributions or return distributions to satisfy such obligations. The Advisers may cause a Fund to purchase, at such Fund’s expense, insurance against such liability in connection with the activities of such Fund. There is no assurance that such insurance will be available or obtained in sufficient amounts to cover any such liabilities.

Failure to Make Capital Contributions. The interests of a Fund may be materially and adversely affected by the failure of any one or more of its Investors to meet such Investor’s contribution or other payment obligations to the Fund (whether arising through an Investor’s default, its excuse or exclusion from one or more investments, or a permitted withdrawal or removal from the Fund). If an Investor fails to make any contribution or payment to the Fund for any reason, the other Investors may be required to fund the shortfall, with the consequence that the non-defaulting Investors may have greater exposure on the Fund’s investments or liabilities than they otherwise would. An Investor’s failure to make any contribution or payment to a Fund for any reason could also cause the Fund to be unable to meet the Fund’s obligations when due, which could materially and adversely impair the Fund’s ability to execute on its investment strategy or to otherwise continue operations. In such event, the Fund may be subjected to significant liabilities or penalties that could materially reduce the returns to the participating Investors (including non-defaulting Investors). A substantial default by (or discontinued participation of) one or more Investors would limit opportunities for investment diversification and could have a material negative affect on the Fund’s economic results.

Public Disclosure Obligations. A Fund may be required to disclose confidential information relating to its investments and its financial results to third parties that may request such information if and to the extent required by federal, state or local law or regulation applicable to such Fund or any of its Investors, including any Investors that are public agencies or governmental bodies. Such disclosure obligations may adversely affect certain Investors, particularly Investors who are not otherwise subject to public disclosure of information relating to the private holdings of funds in which they invest.

Side Letters. The Advisers, a Fund and/or their respective affiliates may from time to time enter into Side Letters with one or more Investors which provide such Investors with additional or different rights (including with respect to economic incentives, access to information and Mountain Capital reporting obligations, excuse rights and opt-out rights with respect to particular investments, transfer rights and other liquidity terms, consent rights, co-investment rights and other matters) than the Investors otherwise have pursuant to the applicable Fund’s Operating Agreement. As a result of such Side Letters, certain Investors may receive additional benefits or other rights that other Investors will not receive. The Advisers and the Funds may not be required to notify the other Investors of any such Side Letters or of

any of the rights or terms or provisions thereof, and some or all of the other Investors may not be entitled to receive such additional benefits or other rights. The Advisers, the Funds and/or their respective affiliates may enter into such Side Letters with any party as the Advisers may determine, in their respective sole and absolute discretion, at any time. Investors will not necessarily have most-favored-nation rights in respect of all or any of the more favorable terms provided to others and Investors will have no recourse against any Fund, any Adviser or any of their affiliates in the event that certain Investors receive additional benefits or other rights pursuant to Side Letters that are more favorable than the terms received by other Investors.

Certain Additional Risks Relating to the Fund's Investments

Liability for Return of Distributions. An Investor's capital commitment is susceptible to risk of loss as a result of any liability of a Fund irrespective of whether such liability is attributable to an investment to which such Investor contributed any capital. An Investor may be required to return distributions made to such Investor under various circumstances, including to meet Fund obligations. In certain circumstances, applicable law may require that an Investor return previously received distributions with interest. In addition, an Investor may be liable under applicable federal and state bankruptcy or insolvency laws to return distributions made during the Fund's insolvency.

Competitive Market for Investment Opportunities. Identifying and structuring transactions in the energy industry is competitive and competition is increasing. Various new funds and established funds with more generalized investment capabilities have entered into the energy industry as capital needs in the North American energy industry have increased and investment returns in other industries have decreased. As global efforts are made to respond to anticipated future population growth, economic development and increased urbanization, and the effects of each of them, the number of funds and sources of investment capital that have similar investment objectives to the Funds, or that target similar investment opportunities, is likely to increase, and such funds and vehicles may have more purchasing and negotiating power than the Funds. In addition, the availability of investment opportunities generally will be subject to financial and market conditions as well as, in some cases, the prevailing regulatory or political climate. Therefore, identification of attractive investment opportunities is difficult and involves a high degree of uncertainty, and competition for such opportunities may become more intense. There can be no assurance that a Fund will be able to locate, complete and exit investments that satisfy such Fund's investment objectives or realize upon their values or that it will be able to invest fully its available capital or to diversify such Fund's investment portfolio. Additionally, competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available and adversely affecting the terms upon which investments can be made.

Limited Number of Investments; Lack of Diversity. The Funds will focus on investments in the energy industry or in such other industries as specified in the applicable Fund Documents, and Fund I in particular will focus on investments in oil and gas assets. Each Fund is expected to participate in a limited number of investments and, as a consequence, such Fund's aggregate returns may be substantially adversely affected by the unfavorable performance of even a single investment. Although

the Advisers will attempt to minimize risk consistent with the applicable Fund's investment strategy, each Fund's actual returns will be subject to numerous factors beyond the Advisers' control, including among other things natural causes, governmental regulation, competing responses to population growth, economic development, increased urbanization, the successful implementation of measures to counter any of the foregoing, whether by way of political will, the development of new technologies for that purpose or otherwise, and consumer needs and preferences. On any given investment, loss of all or a portion of the Investors' capital is possible. Investors have no assurance as to the degree of diversification in any Fund's investments. Because a Fund's investments are expected to be concentrated within the energy industry or such other applicable industry as is specified in the relevant Fund Documents, portfolio diversification will be less than would be possible if such Fund were to invest in a range of industries or sectors. Such reduced diversification may increase the volatility of a Fund's returns, and could reduce a Fund's returns relative to diversified funds to the extent that the energy industry or other applicable industry does not perform as well as other industries. Although the Funds generally intend to diversify their investments among different assets, no assurances can be given that any Fund will, in fact, so diversify its investments. The Funds may also make investments that are not diversified geographically. In addition, the Funds may make investments for which third party financing may be desirable but not necessarily available (whether on desired terms or at all) at the time of investment. Such financing may never become available, or a refinancing may not be able to be completed on desirable terms or at all. This could result in a Fund having a variety of unintended long-term investments or reduced diversification. In addition, during the early stages of a Fund's term, the Fund may hold more concentrated positions than it otherwise would.

Minority Investments. A Fund may make minority equity investments in portfolio companies or assets where the Fund may not be able to protect its investment or to control or influence effectively the business or affairs of such entities or assets to the same extent as it would in a controlled investment. A Fund may be adversely affected by actions taken by the majority equity holder(s) of the portfolio companies in which it invests, or by actions taken by the asset operators or other dominant interest holders in the assets in which it invests.

Control Positions. A Fund (alone, or together with other investors, including other parallel funds, co-investment funds and other investment vehicles sponsored by the Advisers or their affiliates) may have operating control or other control or management rights with respect to one or more of the portfolio companies or assets in which it invests. Such rights could expose the Fund to risk of liability for operations and management, environmental damage, product defects, failure to supervise, violation of governmental regulations, violation of fiduciary duties, lender liability and other types of liability.

Investments in Unlisted Securities. The Funds may invest in companies the securities of which may not now and may never be publicly traded or listed on a securities exchange. Companies whose securities are unlisted are not subject to the same disclosure and other investor protection requirements that are applicable to companies with listed securities. These investments may be difficult to value and to sell or otherwise liquidate, and the risk of investing in such companies is generally much greater than the risk of investing in listed or publicly traded companies.

Investments in Less Established Companies. The Funds may invest in smaller, less established or start-up companies. Investments in such companies may involve greater risks than are generally associated with investments in more established companies. To the extent there is any public market for the securities held by the Funds, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have smaller capitalizations and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies also have shorter operating histories on which to judge future performance and may experience start-up related difficulties that are not faced by established companies. The Funds will not necessarily have established any minimum capitalization or operating history for the companies or assets in which it will invest. There can be no assurance that any such losses will be offset by gains (if any) realized on any Fund's other investments.

Co-Investment Opportunities. The Funds may co-invest in one or more investments with one or more strategic investors, lenders, Investors (or affiliates thereof) and/or other third parties ("Co-Investors") through joint ventures or other entities or through the acquisition of different real property rights and interests, which Co-Investors in certain cases may have different or superior rights or interests to those of the Funds and their Investors. The Funds may not have control or operating rights over certain of their investments and, therefore, may have a limited ability to protect their position therein or maximize the value thereof. In addition, the Funds' investments will be subject to typical risks in connection with third-party involvement, including the possibility that a third-party may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the applicable Fund, or may be in a position to take (or block) action in a manner contrary to the applicable Fund's investment objectives. A Fund may also in certain circumstances be liable for the actions of its third-party partners or Co-Investors. Investments made with third parties in joint ventures or other entities or in different real property rights and interests may involve carried interests, promotes or fees payable to such third-party partners or Co-Investors, thereby reducing the distributions to the Fund. In addition, such co-investments may be made on materially different terms and conditions than those applicable to the Fund, and such different terms may be disadvantageous to the Fund or to any Investor participating directly or indirectly therein.

Risks in Effecting Operating Improvements. In some cases, the success of a Fund's investment strategy may depend, in part, on the ability of the Fund to restructure and effect improvements in the operations of a portfolio company or its assets. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Funds will be able to successfully identify and implement any such restructuring programs and improvements.

Reinvestment. Under certain circumstances, proceeds distributable (or previously distributed) to the Investors that constitute a return of capital contributions may be retained and reinvested (or recalled for reinvestment) by the Funds or used (or recalled for use) by the Funds for any other proper purpose. Amounts available for recall will be restored to the Investors' respective available capital commitments. Accordingly, an Investor may be required to fund for investments or expenses during the

term of a Fund an aggregate amount that significantly exceeds its capital commitment.

Need for Additional Funds. Following its initial investment in an asset, a Fund may need or deem it appropriate to provide additional funds for such investment. There is no assurance that the Fund will be willing or be able to fund such follow-on amounts, or that the Fund will have sufficient uncommitted capital or available cash to provide additional funds to an asset in excess of its original investment. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative impact on an investment in need of such additional capital and may diminish the Fund's ability to influence the investment's future development and operation.

Accuracy of Third Party Information. The Advisers may select investments for the Fund, in part, on the basis of information and data made available directly or indirectly by third parties. The Advisers may not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available.

Risk Relating to Due Diligence and Conduct at Portfolio Companies. Before a Fund makes an investment, the Advisers will conduct such due diligence as they deem reasonable and appropriate based on the facts and circumstances applicable to the investment. Due diligence may entail feasibility and technical studies, studies regarding reserves, environmental studies, marketing studies, business plan development, evaluation of important and complex business, financial, tax, accounting, environmental and legal issues as well as background investigations of individuals. Outside professionals, engineers, consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. The involvement of such third parties may present a number of risks primarily relating to reduced control of the functions that are outsourced and may entail significant third-party expenses. In addition, if a Fund is unable to timely engage third-party providers, its ability to evaluate and acquire more complex assets could be adversely affected. Due diligence investigations with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating the investment opportunity. Moreover, there can be no assurance that attempts to identify risks associated with an investment will achieve their desired effect. Potential investors should regard an investment in each Fund as being speculative and having a high degree of risk.

In the event of fraud, any material misrepresentation or omission or any professional negligence by any seller of assets acquired by a portfolio company or such seller's representatives, by a portfolio company or any of its affiliates, or by any other third party, the Fund may suffer a material loss of capital and the value of the Fund's investments may be adversely impacted. The Fund will rely upon the accuracy and completeness of representations made by various persons in the due diligence process, and cannot guarantee such accuracy or completeness.

Expedited Transactions. Investment analyses and decisions may be undertaken on an expedited basis in order for a Fund to take advantage of investment opportunities. In such cases, the information available to the Fund at the time of an investment decision may be limited, and the Fund may not have access to the detailed information necessary for a full evaluation of the investment opportunity.

Broken Deal Expenses. Investments in the energy industry often require extensive due diligence activities and regulatory approvals prior to acquisition, which may entail significant third-party expenses. In the event that an investment is not consummated, a Fund may bear some or all of such third-party expenses and any termination fees. With respect to investments in which Co-Investors co-invest with the Fund, any investment expenses or indemnification obligations related to such investments are generally expected to be borne by the Fund and such Co-Investors (whether directly or through a co-investment vehicle) in an equitable manner as determined by the Advisers. If a proposed co-investment opportunity and/or co-investment vehicle is not consummated, a Fund may bear some or all of the costs of such proposed co-investment (including broken deal expenses, diligence and pursuit expenses, and other third party out-of-pocket expenses).

Projections. A Fund may rely upon projections developed by the Advisers, their respective affiliates or other transaction parties or third party reports concerning an investment's expected future performance and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of the persons making such projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could materially and adversely impair the realization of projected values and cash flows.

Reliance on Valuations. Investments will be valued periodically by the Funds. Any such valuation, however, is a subjective analysis of the fair market value of an asset, and requires the use of techniques that are costly and time consuming and ultimately provide no more than an estimate of value. Valuations may result in adjustments of a Fund's aggregate fair market values or gross or net internal rate of return calculations. There can be no assurance that a Fund's aggregate fair market values or gross or net internal rate of returns, as calculated based on such valuations, will be accurate on any given date, nor can there be any assurance that the sale of any asset would be at a price equivalent to the last estimated value of such asset.

Global Economic Conditions; Market Dislocation. General economic conditions may affect the Funds' activities and investments. Interest rates, general levels of economic activity, fluctuations in the market prices of securities, debt, commodities and real estate, and participation by other investors in the global financial markets may affect the value of investments made by the Funds. Instability in securities, debt, commodities and real estate markets may increase the risks inherent in portfolio investments made by the Funds, may restrict the availability of debt financing for their activities and may effect the realization on investments or investment exits. Although the U.S. Federal Reserve Bank, European Central Bank, The People's Bank of China and other central banks have injected significant liquidity into markets, elevated levels of market stress and volatility persist and it is uncertain how the markets will continue to react as the programs initiated by these central banks to stabilize markets are scaled back and/or terminated. Adverse market reactions could have adverse effects on the private equity industry generally, and the operations and success of the Funds and their investments. Such conditions could materially and adversely impact the Funds in a variety of ways and may include impacts that cannot be anticipated at this time. Among other things, these conditions may materially and adversely affect one or more of the following: (i) the ability of the Funds or their portfolio companies to access credit

markets on favorable terms or at all in connection with the financing or refinancing of investments; (ii) the ability or willingness of certain counterparties to do business with the Funds or their affiliates; (iii) a Fund's exposure to the credit risk of others in its dealings with various counterparties (for example, in connection with joint ventures or the maintenance with financial institutions of reserves in cash or cash equivalents); (iv) consumer spending and ultimate demand for the products and services offered by the Funds and their portfolio companies; (v) growth opportunity for the Funds' investments; (vi) the ability of a Fund to exit or otherwise monetize its investments at desired times, on favorable terms or at all; (vii) availability of reliable insurance on favorable terms or at all; and (viii) the ability of the Fund's investors to meet their obligations to the Fund in a timely manner or at all.

Volatility of Commodity Prices; Marketing Considerations. Oil and natural gas prices have been particularly volatile in recent months with notable excess supply bringing prices sharply lower. The performance of investments of the Funds may be substantially impacted by changes in the prevailing prices of oil and natural gas. Historically, the markets for oil and natural gas have been volatile, and such markets are likely to continue to be volatile in the future. Prices for oil and natural gas are subject to wide fluctuation in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty, speculation and a variety of additional factors that are beyond the control of the Funds. These factors include the level of consumer product demand, the refining capacity of oil purchasers, weather conditions, domestic and non-U.S. governmental regulations, the price and availability of alternative fuels, political conditions in the Middle East and Africa, actions of the Organization of Petroleum Exporting Countries, the non-U.S. supply of oil and natural gas, the price of non-U.S. imports and overall economic conditions. In addition, changes in commodity prices within North America can vary widely from one location to the next dependent upon the characteristics of the production and the availability of gathering, transportation, processing and storage facilities used to transport the oil and gas to markets. Although it is expected that a Fund's portfolio companies may seek to enter into financial hedging contracts to mitigate the impact of changes in commodity prices, these financial hedging transactions will not extend for the entire life of the companies' hydrocarbon production and may not be able to protect the portfolio company from changes in commodity prices. In addition, changes in commodity prices within North America can vary widely from one location to the next dependent upon the characteristics of the production and the availability of gathering, transportation, processing and storage facilities used to transport the oil and gas to markets. Although changes in prices can be mitigated to some extent by hedging activities involving the purchase and sale of financial futures contracts, these contracts are typically priced based on certain main transportation hubs, and in many cases there is no readily available method of protecting changes in commodity prices between the prices at these hubs and the point at which the commodities are sold in the local market in which they are produced.

Given Fund I's focus on investments in the energy sector, price fluctuations in energy-related commodities may have a meaningful impact on the Fund I's investment strategy and generation of returns. Commodity prices are driven by numerous local, regional, national and global influences, and there is no assurance that the Advisers will correctly analyze and interpret these influences, or respond to the price volatility in commodity prices, in order to make attractive investments for Fund I.

Environmental Matters. Environmental laws, regulations and regulatory initiatives can have a substantial impact on investments in the energy industry. For example, global initiatives to minimize emissions of certain air pollutants have played a role in the increase in demand for natural gas. Conversely, required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the industry. The energy industry will continue to face considerable oversight from environmental regulatory authorities, new and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on portfolio companies or potential investments. In addition, there can be no guarantee that all costs and risks regarding a portfolio company's compliance with environmental laws and regulations can be identified. The Funds may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements, compliance with which could adversely impact the performance of the Funds.

Regulation of Greenhouse Gases. There is a growing consensus in the U.S. and globally that emissions of greenhouse gases ("GHGs") are linked to global climate change and this consensus may lead to more stringent regulation of GHGs in the future. Increased public concern and mounting political pressure may result in more international, U.S. federal or U.S. regional requirements to reduce or mitigate the effects of GHGs. While Congress has from time to time considered legislation to reduce emissions of GHGs, there has not been significant activity in the form of adopted legislation to reduce GHG emissions at the federal level. However, the EPA has recently announced that it will propose regulations to directly regulate and require reductions to methane emissions from the oil and gas industry. Certain states participate in the Regional Greenhouse Gas Initiative, which is intended to stabilize and reduce emissions of GHGs. In addition, the United States Supreme Court in *Massachusetts v. Environmental Protection Agency* ruled that the United States Clean Air Act authorizes regulation of GHGs.

In January 2015, the U.S. federal government announced a new goal to cut oil and gas sector methane emissions by 40-45% from 2012 levels by 2025, with such cuts to be accomplished with the implementation of a new EPA rule establishing methane and volatile organic compound standards for new and modified oil and gas production sources, to be finalized in 2016, among other new rules and cooperative strategies. Additionally, future lawsuits brought by environmental groups under applicable laws and regulations may result in EPA regulation of methane emissions from existing oil and gas production sources as well. Compliance with these changes could be costly and could have a material adverse economic impact on investments in the oil and gas sector.

Any change in the regulation of GHGs and/or methane emissions could impact a portfolio investment or make certain future investments undesirable.

Changes in Regulation. Regulatory changes in a jurisdiction where a portfolio investment is located may make the continued operation of the portfolio investment infeasible or economically disadvantageous and any expenditures made to date for such portfolio investment may be wholly or

partially written off. The locations of the portfolio investments may also be subject to government exercise of eminent domain power or similar events. Any of these changes could significantly increase the regulatory-related compliance and other expenses incurred in connection with portfolio investments and could significantly reduce or entirely eliminate any potential revenues generated by one or more of the portfolio investments, which could materially and adversely affect returns to the Funds.

In addition, legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect such Fund. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds may adversely affect the value of investments held by the Funds and the ability of the Funds to execute on their investment strategies. New laws or revised regulations imposed by the SEC, other governmental regulatory authorities, self-regulatory organizations or industry bodies that supervise the financial markets that could adversely affect the Funds may be adopted in the future. The Funds may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these regulatory authorities or self-regulatory organizations.

Potential Conflicts

Generally. The Advisers and their respective affiliates may encounter potential conflicts of interest in connection with Clients' interests, assets or activities (including certain conflicts of interest as among the interests of different Fund vehicles). If any matter arises that the Advisers determine in its good faith judgment constitutes an actual conflict of interest, the Advisers may take such actions as may be necessary or appropriate to ameliorate the conflict and upon taking such actions the Advisers will be relieved of any responsibility for such conflict. By acquiring an Interest in a Fund, each investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

The Advisers and their affiliates may manage other investment funds and vehicles besides their existing Funds and may direct investment opportunities to those other investment funds and vehicles. Sam Oh and other members of the Advisers' management team may spend a portion of their business time and attention pursuing and managing investment opportunities for themselves, their affiliates, their friends and family or other clients. They are also permitted to devote time to other business activities in accordance with each Fund's Fund Documents. The Advisers and their management team members may own or control economic interests in other investments outside the Funds, for their own account or for the account of other Clients. Such other investments may compete with Fund portfolio companies or with the investments or investment objectives of certain other Clients. At such time as the Advisers are permitted to raise a successor investment fund to a Fund, the Advisers may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments. Certain investments may be allocated between Clients, including co-investors and successor or predecessor Funds, in a manner as set forth in the respective Fund Documents.

Carried Interest. Because the Advisers' carried interest is based on a percentage of net realized profits,

it may create an incentive for the Advisers to cause a Fund to make riskier or more speculative investments than would otherwise be the case.

Co-Investment. The Advisers may serve as investment managers to certain co-invest vehicles that invest alongside the Funds in certain portfolio companies. Certain affiliates and Adviser personnel, third party investors and other persons may be permitted to participate in the co-invest vehicles or in some cases co-invest directly in a particular portfolio company. Generally, the Advisers will select which investors or other persons are permitted to co-invest based on various factors, including (but not limited to) the sophistication of the investor, the ability of the investor to fund and complete the investment on a timely basis, the investor's expression of interest or right to co-invest granted by such investor's side letter arrangement, the terms of the applicable Fund Documents, and any other reason for including such investor or person. In circumstances where an entire investment could be made by a Fund, an Adviser may still allocate a portion of such investment to one or more co-invest vehicles or other co-investors in accordance with such Fund's Fund Documents and the Advisers' allocation policy if an Adviser believes in its good faith judgment that the full investment by the Fund would not be in the best interests of the Fund or that a particular co-investor would add value to the Fund or the investment. Investors that participate in co-investments may be in a position to obtain additional information regarding the applicable portfolio company that may not generally be available to investors in the applicable Fund.

Operating Partners, Senior Advisors and Consultants. The Advisers may be reimbursed by a Fund for certain compensation and other fees and expenses that relate to the employment of Operating Partners, Senior Advisors or other persons serving as portfolio company employees or consultants. Such rights to reimbursement may create incentives to engage the services of such persons. In addition, portfolio companies may from time to time pay certain fees and expenses of Operating Partners, Senior Advisors or other third party consultants (including consultants introduced or arranged by the Advisers and/or their affiliates that may regularly provide services to one or more Fund portfolio companies). Any such fees and expenses will not offset the Management Fee as described herein. The Advisers and their affiliates may also, from time to time, employ personnel with pre-existing ownership interests in Fund portfolio companies.

Other Interests. In addition, the Advisers, their affiliates and/or their personnel may maintain relationships with (or may invest in) financial institutions or other service providers, some of which will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services to, the Advisers and/or their affiliates, and/or the Funds. In addition, a Fund's portfolio companies may, from time to time, make discounts and other benefits available to employees in connection with products or services offered by such companies.

Portfolio Company Conflicts. Principals and employees of the Advisers may serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio company and its shareholders. In certain circumstances (for example in situations involving bankruptcy or near-insolvency of a portfolio company), actions that

may be in the best interests of the portfolio company may not be in the best interests of a Fund, and vice versa. Accordingly, in these situations, there may be conflicts of interests between such individual's duties as an employee of the Advisers and such individual's duties as a director of such portfolio company.

Joint Venture Partners. Joint venture investments by a Fund may under certain circumstances involve risks not otherwise present, including the possibility that the co-venturer might become bankrupt, that such co-venturer might at any time have economic or other business interests or goals which are inconsistent with the business interests or goals of the Fund, and that such co-venturer may be in a position to take action contrary to the instructions or the requests of the Fund or contrary to the Fund's policies and objectives. Such investments may also have the potential risk of an impasse on decisions because neither co-venturer may have full control over the joint venture. To the extent a dispute arises between affiliates of the Advisers, on the one hand, and such joint venture partners, on the other hand, the affected Fund's separate investments with such joint venture partners may also be adversely affected.

Diverse Investor Group. The Investors may have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests of individual Investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments and the structure, timing or manner of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Advisers, including with respect to the nature or structuring of investments or dispositions, that may be more beneficial for one Investor than for another Investor, especially with respect to Investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, the Advisers will consider the investment and tax objectives of each Fund and its Investors as a whole, not the investment, tax or other objectives of any Investor individually.

Tax Changes. There have been recent legislative proposals to treat certain income allocations (including any carried interest) to service providers by partnerships such as the Funds as ordinary income for United States federal income tax purposes. Enactment of any such legislation, whether before or after the initial closing of a Fund, could adversely affect the Investors, employees or other individuals associated with the Fund or the Advisers who were or may in the future be granted direct or indirect partnership interests entitling such persons to benefit from carried interest. This may reduce such persons' after-tax returns from the Fund, which could make it more difficult for the Advisers to incentivize, attract and retain individuals to perform services for the Fund.

Item 9. Disciplinary Information

The Advisers and their management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

Item 10. Other Financial Industry Activities and Affiliations

The Management Company is affiliated with the General Partner, each of which is an investment adviser registered with the SEC under the Advisers Act in accordance with SEC guidance. Certain of the Management Company's principals, officers, employees and/or consultants serve the General Partner or other affiliates in a similar capacity.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics and Personal Trading

The Adviser has adopted a written Code of Ethics that is applicable to all of its officers and employees, as well as officers and employees of its affiliates and certain independent contractors (collectively, "Adviser Personnel"). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain reporting obligations and pre-clearance of any proposed purchase of any initial public offering or limited offering. Adviser Personnel and their families and households may purchase investments for their own accounts subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

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

Accordingly, if the Advisers or any Adviser Personnel come into possession of material nonpublic or other confidential information with respect to any public company, the Advisers would be prohibited from communicating such information to the Advisers' Clients, including the Funds, and the Advisers will have no responsibility or liability for failing to disclose such information to any Client as a result of following the Advisers' policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of the Advisers' personnel serving as directors of public companies and may restrict trading on behalf of Clients. As a result, the Advisers may be prohibited from making a purchase or sale on behalf of a Client, including Fund I that they would otherwise make.

Additionally, the Adviser's Code of Ethics details restrictions and reporting requirements regarding the giving or receiving of gifts and/or entertainment to and/or from, among others, current or prospective investors, government officials, and union officials, by any Adviser Personnel.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, a letter of censure or suspension or termination of the employment of the violator. Adviser Personnel are required to annually acknowledge compliance with the Code of Ethics.

Clients and prospective clients may contact the Adviser to request a copy of its Code of Ethics.

Participation or Interest in Client Transactions

The Advisers generally do not permit Adviser Personnel to undertake personal transactions in investments that the Adviser has made for a Client or is considering making on behalf of a Client. The Advisers and certain Adviser Personnel, however, may directly or indirectly own an interest in a Fund or in one or more Fund portfolio companies, including through a co-investment vehicle, subject to any applicable restrictions set forth in the applicable Fund Documents.

Item 12. Brokerage Practices

The Advisers focus on making equity investments in the energy section and generally purchase and sell investments through privately-negotiated transactions. The Advisers do not intend to regularly engage in public securities transactions that require the services of a broker-dealer and do not intend to engage in soft dollars transactions, directed brokerage or otherwise select or recommend broker-dealers for Clients or place securities transaction orders for Clients. In the event the Advisers' anticipated practices change, they will implement the policies and procedures they deem appropriate and will update Fund investors accordingly.

Item 13. Review of Accounts

Oversight and Monitoring

Client investments are reviewed on an ongoing basis by a member of the Advisers' investment team. The team generally includes Managing Directors and other investment professionals of the Adviser. The investments made by a Fund are generally private, illiquid and long-term in nature. Accordingly, the review process of Fund investments is not directed toward a short-term decision to dispose of securities. The Adviser closely monitors the portfolio companies of the Fund and generally maintains an ongoing oversight position in such portfolio companies.

Reporting

The frequency and type of reporting provided by the Advisers may vary among Clients. Investors in Fund I will receive, among other things, a copy of audited financial statements of the Fund generally within 120 days after the fiscal year end. In addition, Fund I investors will typically receive unaudited quarterly summary financial information regarding the Fund following the end of each financial quarter, as well as regular reporting updates through quarterly letters, investor meetings and other materials that the Adviser may provide throughout the year.

Item 14. Client Referrals and Other Compensation

The Advisers and their affiliates may enter into placement agreements or solicitation arrangements pursuant to which the Advisers compensate third parties for referrals that result in persons investing in a Fund, but there are currently no such arrangements in place.

Item 15. Custody

The Advisers maintain custody of each Client's funds and securities with a qualified custodian in an account in the Client's name or in an Adviser's name for the benefit of a Client, to the extent required by the Advisers Act and guidance issued by the U.S. Securities and Exchange Commission. Fund I's qualified custodian is Wells Fargo.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Services are provided to the Funds in accordance with each Fund's Operating Agreement. Investment restrictions for a Fund, if any, are generally established in Operating Agreement of the Fund. Pursuant to the terms of the applicable Fund Documents, the Advisers have discretion to manage investments on behalf of the Clients, including Fund I. As a general policy, the Advisers do not allow clients to place limitations on this discretionary authority. However, Fund I investors have certain investment opt-out rights as set forth in the Fund Documents for Fund I. In addition, the Advisers may enter into side letter arrangements with certain investors whereby the terms applicable to such investors' investments in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

Item 17. Voting Client Securities

The Advisers have adopted proxy voting policies and procedures (the "Proxy Policy") to address how they will vote proxies, as applicable, for each Client investment, including each Fund's portfolio

investments. The Proxy Policy seeks to ensure that the Advisers vote proxies or similar corporate actions in the best interests of the Advisers' Clients, taking into account such factors as it deems relevant in its sole discretion. The Proxy Policy is designed to ensure that if a material conflict of interest is identified in connection with a particular proxy vote, that the vote is not improperly influenced by the conflict. The Advisers generally believe their interests are aligned with those of a Fund's investors through the principals' beneficial ownership interests in the Funds and therefore will generally not seek Fund investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that the Advisers may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's Advisory Committee, if applicable, or through other alternatives set forth in the Proxy Policy. Clients and Fund investors who would like a copy of the Advisers' Proxy Policy or information regarding how the Advisers voted proxies should contact the Advisers' Chief Compliance Officer at (917) 376-6777, and such information will be provided at no charge.

Item 18. Financial Information

The Advisers do not require prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.