

Stonepeak Partners LP

Stonepeak Infrastructure Partners Brochure (Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Stonepeak Partners LP (Stonepeak). If you have any questions about the contents of this brochure, please contact us at 212-907-5100 or at info@stonepeakpartners.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Stonepeak is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This brochure contains no material changes from Part 2A of the Adviser's last annual update to the Form ADV dated March 31, 2018, other than to describe a financing arrangement through a special purpose vehicle entered into by Stonepeak with certain private investment funds affiliated with Landmark Equity Advisors, LLC and related conflicts of interest.

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Item 4 - Advisory Business

Stonepeak Partners LP (“Adviser” or “Stonepeak”) is a limited partnership formed under the laws of Delaware. The Adviser and Stonepeak Advisors LLC, Stonepeak Advisors II, LLC, Stonepeak Advisors III LLC, Stonepeak Credit Advisors LLC and Stonepeak Advisors Holdings LLC (as described more fully below) (each, a “Relying Adviser” and collectively, the “Relying Advisers”, and together with the Adviser, the “Advisers”) collectively provide direct and indirect investment advisory services to private fund clients (each, a “Fund Client” and collectively, the “Fund Clients”). As such, the Advisers are together filing a single Form ADV in reliance on the position expressed by the SEC No-Action Letter, dated January 18, 2012, in response to the incoming letter from the American Bar Association, Business Law Section.

Stonepeak has been in business since March 2011 and is independently-owned and under the direction of Mr. Michael Dorrell and Mr. Trent Vichie (the “Founding Partners”). Stonepeak is owned by the Founding Partners by virtue of their joint ownership of Stonepeak Partners LLC, the general partner of Stonepeak (“Stonepeak Partners GP”), and by virtue of each being the sole member of a limited partner of Stonepeak. Each of Mr. Brian McMullen, Mr. Jack Howell and Mr. Luke Taylor is also a limited partner of Stonepeak and entitled to a portion of its profits.

Stonepeak is the managing member of the Relying Adviser Stonepeak Advisors Holdings LLC, a Delaware limited liability company (“SAH”). SAH is the sole member of another Relying Adviser Stonepeak Advisors LLC, a Delaware limited liability company (“Stonepeak Advisors I”). Stonepeak Advisors is the investment manager of Stonepeak Infrastructure Fund LP, a Delaware limited partnership (“Stonepeak Fund I”) and any related co-investment vehicles. In addition, Stonepeak is the sole member of the Relying Adviser Stonepeak Advisors II, LLC, a Delaware limited liability company (“Stonepeak Advisors II”). Stonepeak Advisors II is the investment manager of Stonepeak Infrastructure Fund II LP, a Delaware limited partnership (“Stonepeak Fund II”) and any related co-investment vehicles. Stonepeak is also the sole member of the Relying Adviser Stonepeak Advisors III LLC, a Delaware limited liability company (“Stonepeak Advisors III”). Stonepeak Advisors III is the investment manager of Stonepeak Infrastructure Fund III LP, a Delaware limited partnership (“Stonepeak Fund III”) and any related co-investment vehicles. In addition, Stonepeak is the sole member of the Relying Adviser Stonepeak Credit Advisors LLC, a Delaware limited liability company (“Stonepeak Credit Advisors I”, together with Stonepeak Advisors I, Stonepeak Advisors II, and Stonepeak Advisors III, “Stonepeak Advisors”). Stonepeak Credit Advisors I is the investment manager of Stonepeak Infrastructure Credit Fund I LP, a Delaware limited partnership (“Stonepeak Credit Fund I”, together with Stonepeak Fund I, Stonepeak Fund II and Stonepeak Fund III, the “Stonepeak Funds”) and any related co-investment vehicles. In the future, the Stonepeak Advisors may advise other Fund Clients.

Mr. Dorrell and Mr. Vichie are also managing members of Stonepeak GP Investors Manager LLC, a Delaware limited liability company (“GP Investors Manager”). GP Investors Manager is the managing member of Stonepeak GP Investors LLC, a Delaware limited liability company (“Stonepeak GP Investors I”). Stonepeak GP Investors I is the general partner of Stonepeak GP Holdings LP, a Delaware limited partnership (“Stonepeak GP Holdings I”). Stonepeak GP Holdings I is the sole member of Stonepeak Associates LLC, a Delaware limited liability company (“Stonepeak GP I”). Stonepeak GP I is the general partner of Stonepeak Fund I and any related co-investment vehicles (other than Golden Bridge Holdings, L.P.). GP Investors Manager is also the managing member of Stonepeak GP Investors II LLC, a Delaware limited liability company (“Stonepeak GP Investors II”). Stonepeak GP Investors II is the general partner of Stonepeak GP Holdings II LP, a Delaware limited partnership (“Stonepeak GP Holdings II”). Stonepeak GP Holdings II is the sole member of Stonepeak Associates II LLC, a Delaware limited liability company (“Stonepeak GP II”). Stonepeak GP II is the general partner of Stonepeak Fund II and any related co-investment vehicles. GP Investors Manager is also the managing member of Stonepeak GP Investors III LLC, a Delaware limited liability company (“Stonepeak GP Investors III”, together with Stonepeak GP

Investors I and Stonepeak GP Investors II, “Stonepeak GP Investors”). Stonepeak GP Investors III is the general partner of Stonepeak GP Holdings III LP, a Delaware limited partnership (“Stonepeak GP Holdings III”, together with Stonepeak GP Holdings I and Stonepeak GP Holdings II, “Stonepeak GP Holdings”). Stonepeak GP Holdings III is the sole member of the Stonepeak Associates III LLC, a Delaware limited liability company (“Stonepeak GP III”). Stonepeak GP III is the general partner of Stonepeak Fund III and certain related co-investment vehicles. In addition, GP Investors Manager is the sole member of Stonepeak Credit Associates LLC, a Delaware limited liability company (“Stonepeak Credit GP I”, together with Stonepeak GP I, Stonepeak GP II and Stonepeak GP III, “Stonepeak GPs”). Stonepeak Credit GP I is the general partner of Stonepeak Credit Fund I. In the future, the Stonepeak GPs may be the general partner of other Fund Clients.

TIAA-Stonepeak Investments II, LLC, a Delaware limited liability company (“TIAA Advisor Investor”), owns a minority interest of SAH as a member thereof, a minority interest of Stonepeak GP Holdings I as a limited partner thereof, a minority interest of Stonepeak GP Holdings II as a limited partner thereof and a minority interest of Stonepeak GP Holdings III as a limited partner thereof. Through its interests in SAH, Stonepeak GP Holdings I, Stonepeak GP Holdings II and Stonepeak GP Holdings III, TIAA Advisor Investor has indirect interests in Stonepeak Advisors I, Stonepeak GP I, Stonepeak GP II and Stonepeak GP III, respectively. TIAA Advisor Investor has no ownership interest in Stonepeak or Stonepeak Partners GP. TIAA Advisor Investor is an affiliate of Teachers Insurance and Annuity Association, a stock life insurance company (“TIAA”).

In addition, in November 2018, Stonepeak entered into a preferred equity financing transaction with certain private investment funds affiliated with Landmark Equity Advisors, LLC (collectively, “Landmark”) pursuant to which Landmark will be entitled to receive, indirectly vis-à-vis their limited partnership interests in Stonepeak Investment Holdings LP, a Delaware limited partnership (the “SIH SPV”), repayment proceeds representing less than 10% of the management fee income from the Adviser and less than 25% of the carried interest from Stonepeak GP Investors and any alternative investment vehicles thereof, as well as proceeds from other investments (including, potentially, direct or indirect investments in future Stonepeak Funds) acquired with proceeds from the financing transaction (if any), until such time as the repayment and/or return conditions have been met pursuant to the terms of the governing documents of the SIH SPV.

In connection with Stonepeak GP I and Stonepeak Fund I, Stonepeak GP Holdings I has established (a) a four-member steering committee consisting of Mr. Dorrell and Mr. Vichie and two representatives designated by TIAA Advisor Investor (the “Steering Committee”), which meets regarding matters relating to Stonepeak Fund I, Stonepeak GP I and their investments, and (b) a four-member investment committee consisting of Mr. Dorrell and Mr. Vichie and two members designated by TIAA Advisor Investor (the “Fund I Investment Committee”). The consent of a majority of the allocated votes of the Fund I Investment Committee (excluding the vote of any member involved in the sourcing of the investment under consideration) is required for all major investment decisions of Stonepeak GP I and Stonepeak Fund I. Mr. Dorrell and Mr. Vichie each have 30% of the vote for the Fund I Investment Committee and each member designated by TIAA Advisor Investor has 20% of the vote for the Fund I Investment Committee. Decisions of the Steering Committee and the Fund I Investment Committee similarly bind all actions of SAH (and accordingly, Stonepeak Advisors I) to the same extent as they bind Stonepeak GP I and Stonepeak GP Holdings I.

In connection with Stonepeak GP II and Stonepeak Fund II, Stonepeak GP Holdings II has established a five-member investment committee, including Mr. Dorrell and Mr. Vichie (the “Fund II Investment Committee”). The consent of a majority of the allocated votes of the Fund II Investment Committee (excluding the vote of any member involved in the sourcing of the investment under consideration) is required for all major investment decisions of Stonepeak GP II and Stonepeak Fund II. Each member has

20% of the vote for the Fund II Investment Committee. Stonepeak GP Holdings II has not established a steering committee. Decisions of the Fund II Investment Committee shall similarly bind all actions of Stonepeak Advisors II to the same extent as they bind Stonepeak GP II and Stonepeak GP Holdings II.

In connection with Stonepeak GP III and Stonepeak Fund III, Stonepeak GP Holdings III has established a five-member investment committee, including Mr. Dorrell and Mr. Vichie (the “Fund III Investment Committee”). The consent of a majority of the allocated votes of the Fund III Investment Committee (including the vote of either Mr. Dorrell or Mr. Vichie but excluding the vote of any member involved in the sourcing of the investment under consideration) is required for all major investment decisions of Stonepeak GP III and Stonepeak Fund III. Stonepeak GP Holdings III has not established a steering committee. Decisions of the Fund III Investment Committee shall similarly bind all actions of Stonepeak Advisors III to the same extent as they bind Stonepeak GP III and Stonepeak GP Holdings III.

In connection with Stonepeak Credit GP I and Stonepeak Credit Fund I, GP Investors Manager has established a five-member investment committee consisting of Mr. Dorrell and Mr. Vichie, Ryan Roberge, a Principal of Stonepeak, and two members which are senior managing directors of Stonepeak (the “Credit Fund I Investment Committee”). The consent of a majority of the allocated votes of the Credit Fund I Investment Committee (excluding the vote of any member involved in the sourcing of the investment under consideration) is required for all major investment decisions of Stonepeak Credit GP I and Stonepeak Credit Fund I. Each member has 20% of the vote for the Credit Fund I Investment Committee. GP Investors Manager has not established a steering committee.

The Advisers are governed by the Founding Partners.

The Advisers provide investment advisory (discretionary) services exclusively for Fund Clients. Services include: identification and evaluation of prospective investments for Fund Clients, negotiation and consummation of the acquisition and financing of companies and infrastructure assets and debt and equity securities, monitoring, directing management teams of portfolio investments, providing strategic input to portfolio investment and performing administrative services for Fund Clients under an investment advisory agreement with each Fund Client.

The Advisers work alongside their business executives who have been retained specially for their deep operating experience in infrastructure sectors relevant to the Advisers’ investment thesis (the “Operating Partners”) (see “Item 5 – Fees and Compensation” for more information on the Operating Partners) and network of contacts to generate off-market deal flow in infrastructure assets that are primarily in the following sectors:

- Water & Utilities: including water distribution, treatment, desalination, waste, utility distribution systems, transmission lines, integrated waste businesses and municipal assets;
- Energy: pipelines, other midstream, power generation, renewables and storage assets;
- Transportation: rail, airports, roads and ports;
- Communications: towers, distributed antenna systems, small cells, fiber, data centers and related wireless and wireline infrastructure subsectors;
- Power & Renewables: conventional and renewable generation including storage assets; and
- Midstream Infrastructure: oil, gas and natural gas liquids transportation, processing and storage assets;

The Advisers provide investment advisory services to their Fund Clients pursuant to the terms of an investment advisory agreement with each Fund Client. Each investment advisory agreement tailors the advisory services provided to each Fund Client in a manner consistent with the investment objectives and manner of operation provided for in the private offering documentation and limited partnership agreement for the respective Fund Clients. These limitations include:

- Diversification requirements: limitations are often placed on the aggregate percentage of capital commitments that may be invested in any one investment;
 - No more than 15% of aggregate capital commitments (or up to 18% with a limited partner advisory committee consent) may be invested by Stonepeak Fund I in investments issued by a single person and its affiliates.
 - Other than as set forth in the Stonepeak Fund II LP Agreement, no more than 12.5% of aggregate capital commitments (or up to 15% with a limited partner advisory committee consent) may be invested by Stonepeak Fund II and any parallel fund in investments issued by a single person and its affiliates, except that up to 25% of aggregate capital commitments may be invested by Stonepeak Fund II and any parallel fund if Stonepeak GP II believes in good faith that the amount invested in such investment can be reduced within 180 calendar days to 12.5% (or up to 15% with a limited partner advisory committee consent) or less of aggregate capital commitments (and Stonepeak GP II uses reasonable best efforts to reduce such investment accordingly).
 - No more than 15% of the aggregate capital commitments may be invested by Stonepeak Fund III and any parallel fund at any time in investments issued by a single person and its affiliates, except that up to 25% of the aggregate capital commitments may be invested by Stonepeak Fund III and any parallel fund in an investment at any time if Stonepeak GP III believes in good faith that the amount invested in such investment can be reduced within 180 calendar days to 15% or less of the aggregate capital commitments (and Stonepeak GP III uses reasonable best efforts to reduce such investment accordingly).
 - Stonepeak Credit Fund I will not acquire investments the cost basis of which is more than 20% of the greater of (i) aggregate capital commitments and (ii) the net asset value of Stonepeak Credit Fund I at the time of investment, in any single issuer and its affiliates at any time.
- Geographic limitations: limitations are often placed on the aggregate percentage of capital commitments that may be invested in certain geographic locations.
 - Stonepeak Fund I will not invest in any investments relating to issuers where (A) their principal executive offices are located outside of the United States, Canada or the Caribbean or (B) more than 20% of the expected revenues are derived from sources outside of the United States, Canada and the Caribbean (it being understood that the foregoing shall be interpreted with respect to the location of the production and/or sales and not the location of the end user). In addition, Stonepeak Fund I will not invest more than 15% of the aggregate capital commitments in any investments relating to issuers where (A) their principal executive offices are located within the Caribbean or (B) more than 20% of the expected revenues are derived from sources within the Caribbean.
 - Other than as set forth in the Stonepeak Fund II LP Agreement, Stonepeak Fund II will not invest in any investments relating to issuers (x) where (A) their principal executive offices are located outside of the United States or Canada or (B) more than 20% of the expected revenues are derived from sources outside of the United States or Canada, or (y) where (A) their principal executive offices are located within the Caribbean or (B) more

than 20% of the expected revenues are derived from sources within the Caribbean (it being understood that foregoing shall (i) be interpreted with respect to the location of the production and/or sales and not the location of the end user and (ii) not apply with respect to any investments in import/export infrastructure projects (e.g., pipelines, transmission wires) where (a) a main terminus or hub is located within the United States or Canada and (b) substantially all of its expected revenues are generated in U.S. or Canadian dollars); however, Stonepeak Fund II may make investments of a type described in clauses (x) or (y) above with the consent of the limited partner advisory committee of Stonepeak Fund II, except that in such circumstances investments of a type described in clause (x) above may not exceed 15% of the aggregate capital commitments of Stonepeak Fund II at any time).

- Stonepeak Fund III will not invest more than 10% of the aggregate capital commitments (or 20% with a limited partner advisory committee consent) in any investments relating to issuers where (A) their principal executive offices are located outside of the United States or Canada or (B) a majority of the expected revenues are not directly connected to trade, commerce or business activity with or within the United States or Canada as determined by Stonepeak GP III in good faith, except that up to 25% of the aggregate capital commitments may be invested by Stonepeak Fund III in such issuers if Stonepeak GP III believes in good faith that the amount invested in such investments can be reduced within 180 calendar days to 10% (or 20% with a limited partner advisory committee consent) or less of the aggregate capital commitments (and Stonepeak GP III uses reasonable best efforts to reduce such investments accordingly) (it being understood that the limitations in this clause (iii) shall not apply with respect to (x) any investments in import/export infrastructure projects or companies (e.g., pipelines, terminals, shipping companies, or transmission wires) where a terminus or hub is located within the United States or Canada and/or (y) any investment to the extent (1) a majority of the expected revenue with respect to such investment is denominated in U.S. or Canadian dollars, (2) a majority or substantial portion of the expected revenue is directly connected to trade, commerce or business activity with or within the U.S. and/or Canada and (3) either one or more primary assets is located within the United States and/or Canada or there is some other substantial nexus (other than location of headquarters or place of listing) with the U.S. and/or Canada).
- Stonepeak Credit Fund I will not acquire investments the cost basis of which is more than 20% of the greater of (i) aggregate capital commitments and (ii) the net asset value of Stonepeak Credit Fund I at the time of investment, in issuers located outside of North America at any time.
- Open market transactions: limitations are often placed on the aggregate percentage of capital commitments that may be used to purchase open market securities.
 - Stonepeak Fund I may only make open market purchases of publicly traded securities in connection with or with the expectation of a contemplated privately negotiated transaction, and such open market purchases shall not in the aggregate exceed 5% of the aggregate capital commitments at any time.
 - Stonepeak Fund II may only make open market purchases of publicly traded securities in connection with or with the expectation of a contemplated privately negotiated transaction, and such open market purchases shall not in the aggregate exceed 5% of the aggregate capital commitments at any time. Stonepeak Fund II may otherwise make open market purchases of publicly traded debt securities and instruments in an amount not to

exceed 10% of the aggregate capital commitments at any time (calculated without regard to the foregoing sentence).

- Stonepeak Fund III may only make open market purchases of publicly traded equity securities in connection with or with the expectation of a contemplated or potential privately negotiated transaction (or as otherwise set forth in the applicable governing documents), and (x) such open market purchases of equity securities shall not in the aggregate exceed 7.5% of the aggregate capital commitments at any time and (y) no more than 5% of aggregate capital commitments may be invested in publicly traded securities purchased on the open market and issued by a single person and its affiliates. Subject to the limitation described in clause (y) of the foregoing sentence, Stonepeak Fund III may otherwise make open market purchases of publicly traded debt securities and instruments in an amount not to exceed 7.5% of the aggregate capital commitments at any time (excluding any debt securities and instruments purchased by the Partnership in portfolio companies that were already the subject of a privately negotiated transaction).
- Transactions with Portfolio Companies of other Fund Clients: limitations are often placed on the ability to acquire the debt of a portfolio company of another Fund Client:
 - Subject to the terms of the applicable governing documents, which shall control, Stonepeak Credit Fund I may not acquire more than one-third of a class of debt of an issuer in which another Fund Client owns either a majority of the common equity (determined on a fully diluted basis) of such investment or more than one-third of a different class of debt of such investment, unless in each case the other investment fund and Stonepeak Credit Fund I have adopted “Conflict Mitigation” (which means (A) in the case of a holder of debt, an agreement not to vote or to vote in accordance with the recommendation or instructions of the trustee, agent bank or other representative of the debt holders and (B) in the case of a holder of equity, the representatives thereof on the board of directors (or similar governing body) of the issuer recusing themselves on all matters pertaining to the debt held by the other Fund Client).
 - Stonepeak Credit Fund I may not directly acquire from an issuer which is majority owned by another Fund Client any investment unless (i) a third party has underwritten the tranche/class in which Stonepeak Credit Fund I invests and/or (ii) one or more third parties unaffiliated with Stonepeak acquires at least 20% of the tranche/class in which Stonepeak Credit Fund I invests.
 - Without the consent of the limited partner advisory committee, no other Fund Client may directly acquire from an investment that is majority owned by Stonepeak Fund III any debt investment unless one or more third parties unaffiliated with Stonepeak acquires at least a majority of the tranche/class in which such other Fund Client invests at substantially the same time and price as such other Fund Client.

The Adviser does not participate in wrap fee programs in providing portfolio management services.

The Advisers manage assets on a discretionary basis in the amount of \$13,723,751,695 as of December 31, 2017. The Adviser does not manage any assets on a non-discretionary basis.

Item 5 - Fees and Compensation

The following is a general description of the Adviser's approach with respect to fees and compensation. The Adviser's fees are calculated as a percentage of assets under advisement. Typically, management fees are payable quarterly in advance by each Fund Client based on the applicable negotiated management fee percentage of each investor in the Fund Clients of both (x) aggregate capital commitments (during the applicable investment period defined by the limited partnership agreements of the Fund Clients (the "LP Agreements")) and (y) capital contributions for investments that have not been disposed of (after the applicable investment period). However, with respect to Stonepeak Credit Fund I, management fees are payable quarterly in advance by Stonepeak Credit Fund I, based on the applicable negotiated management fee percentage of each investor in the Fund Client of such investor's share of Stonepeak Credit Fund I's net asset value. Fees are funded from capital calls by each Fund Client and its investors and deducted directly from the Fund Clients' investor accounts, and paid to the Adviser quarterly in advance.

Generally, the Adviser's Fund Clients bear all the costs of operating their fund(s). The third party and Adviser out-of-pocket costs of identifying and evaluating possible investments, acquiring or selling investments, and investment bank and broken deal fees and expenses as well as general organizational expenses, placement fees and other Fund Client expenses (to the extent the Adviser pays or otherwise advances any such amounts on a Fund Client's behalf), are charged to the Fund Client and are billed and allocated to investors by the Fund Client on a pro-rata basis based on each investor's committed capital. Subject to certain exceptions, co-investment vehicles generally do not bear their share of broken deal fees and expenses (such as reverse termination fees, extraordinary expenses such as litigation costs and judgments and other expenses) for unconsummated transactions and such fees will be paid by the Fund Clients. The costs and expenses of travel, meals, entertainment, lodging and related expenses in connection with investigating and monitoring prospective or actual transactions as well as a Stonepeak Fund's investment activities, including airfare (whether private charter, first class, and/or business class) are borne by the relevant Fund Client(s) and can be substantial. In connection with certain business expenses borne by the Fund Clients, Stonepeak employees earn perquisites like airline "miles" or "points" or credit in loyalty/status programs (including credit card points), and such perquisites are not shared with the Fund Clients.

Expenses generated by the operation of the Stonepeak Funds are also to be borne by Fund Clients. Such costs and expenses generally include all fees, costs and expenses directly related to the purchase, monitoring, and sale of securities, expenses for and/or relating to custodians, bookkeeping, legal counsel, accountants, administrators, auditors, paying agents, depositaries, advisors (including tax advisors and senior advisors), consultants, brokers, agents, valuation firms, operating partners and other third-party professionals, brokerage commissions, any insurance, indemnity or litigation expense, or the costs and expenses of any lenders, investment banks, and other financing sources or guarantees, expenses of any limited partner advisory committee (if any) of each Stonepeak Fund, any third-party advisory committees of a Fund Client formed by its general partner, any out-of-pocket expenses incurred in connection with each Stonepeak Fund's legal, administrative, and regulatory compliance with U.S. federal, state, local, non-U.S., or other laws and regulations (including without limitation, expenses and other charges allocated or relating to such Fund's activities (including the preparation and filing of Form PF or other reports to be filed with the U.S. Commodity Futures Trading Commission, Section 16 filings, Schedule 13D filings, Schedule 13G filings, Form 13F and Form 13H to be filed with the U.S. Securities and Exchange Commission, lobbyist registration and reports, disclosures, filings and notifications prepared in connection with the laws and/or regulations of jurisdictions in which a Stonepeak Fund engages in activities, including any notices, reports and/or filings required in accordance with the Directive 2011/61/EU of the European Parliament and of the European Council of 8 June 2011 on Alternative Investment Fund Managers and other regulatory filings of the Adviser and its affiliates relating to the Stonepeak Funds' activities, but excluding regulatory expenses of the Adviser related to registering and maintaining its registration under the Investment Advisers Act of

1940 (the “Advisers Act”) and compliance expenses of the Adviser thereunder (other than those incurred in connection with regulatory filings relating to a Stonepeak Fund’s activities) and expenses of site visits, investigations or proceedings under the Advisers Act)) and any taxes, fees, or other governmental charges levied against the Stonepeak Funds, the cost of borrowings, guarantees, and other financing (including interest, fees and related legal expenses), fees, costs and expenses related to the organization or maintenance of any non-U.S. entity used to acquire, hold or dispose of any one or more non-U.S. investment(s) (*i.e.*, such entity is part of the investment structure), including without limitation any travel and accommodation expenses related to such non-U.S. entity and the salary and benefits of any personnel (including personnel of the applicable Adviser or its affiliates) reasonably necessary and/or advisable for legal, tax, and/or regulatory purposes for the maintenance and operation of such non-U.S. entity, or other overhead expenses in connection therewith, expenses associated with a Stonepeak Fund’s compliance with applicable laws and regulations, expenses associated with auditing, research, and reporting, news and quotation equipment and services (including other notices and communications), including preparation of financial statements, tax returns, K-1s and other communications or notices relating to the applicable Stonepeak Fund, expenses of market data and research utilized in connection with specific proposed or actual investments, expenses of loan servicers, loan administrators or other third service providers, expenses related to annual meetings of investors and investor reporting and costs and expenses of administering side letters entered into with investors (including the process of distributing and implementing applicable elections pursuant to any “most-favored-nations” clauses in side letters), first class lodging, ground transportation, travel and premium meals (including, as applicable, closing dinners and mementos, cars and meals (outside normal business hours), and social and entertainment events with portfolio entity management, customers, clients, borrowers, brokers and service providers) and related costs and/or expenses incidental thereto. In addition, each Fund Client will bear its pro rata share of the Stonepeak Funds’ and the Adviser’s organization and startup expenses, including legal, accounting, filing, capital raising, and other organization expenses. Such organization expenses also include airfare (whether private charter, first class, and/or business class), which can be substantial. Furthermore, placement fees will be funded by the Fund Clients, but such placement fees are applied to reduce the management fees otherwise payable to the Adviser.

The Adviser earns or anticipates earning in the future from portfolio companies (whether held by a Fund Client and/or co-investors, as described below) break-up, topping, director and organization, commitment, financing, transaction, divestment, monitoring, asset management and other similar fees for closing, monitoring transactions and other types of activities in the conduct of its administration services provided to the Fund Clients and from unconsummated transactions; each Fund Client’s pro rata share of such fees is generally credited 100% against the limited partners’ share of the management fees due from such Fund Client. Typically, the applicable LP Agreement will provide for a more comprehensive description of fees, expenses and funding mechanics, treatment and/or limitations involving possible co-investment opportunities and the allocation thereof to Fund Clients and non-clients, which will be negotiated between the Adviser and its Fund Clients on a case-by-case basis (and the description of fees and expenses herein is subject to the terms of the applicable LP Agreements). Prospective clients investing after the initial Fund closing will be responsible for their pro rata share of Stonepeak Fund expenses incurred prior to the second, or subsequent closings as the case may be.

From time to time, the Adviser will invite investees in Fund Clients or non-clients to co-invest in a particular portfolio company or other investment (typically to manage a Fund Client’s concentration in a specific investment or capital allocation strategy). Co-investment fees realized by the Adviser and the costs that the co-investor bears, including the extent to which a co-investor would share in any broken-deal costs, are negotiated by the Adviser on a case-by-case basis. These activities create a possible conflict of interest as the Adviser will receive fees in some cases that are not credited against management fees of the Fund Client. This will also typically result in the Fund Clients bearing all such broken-deal costs. In addition, co-investment fees realized by the Advisers with respect to co-investment vehicles are generally as high as half of that received with respect to Fund Clients and as low as zero. However, certain co-investment vehicles have different economic arrangements (e.g., management fees and carried interest) and investment

strategies in respect of investments that are not made alongside a Stonepeak Fund and will be allocated such investments subject to and in accordance with the governing documents of the Fund Clients and Stonepeak's allocation policy.

Each of the Founding Partners and Peter J. Bruce, the Chief Financial Officer and Chief Operating Officer of the Adviser, (collectively, the "Senior Executives") is a registered representative of MCP Securities, LLC ("MCP"), which is registered with the SEC as a broker-dealer and is a member of the Financial Industry Regulatory Authority ("FINRA"). In certain limited circumstances involving the receipt of fees of the type described in the two paragraphs above, such activities will be carried out by the Senior Executives as registered representatives of MCP and fees payable will be paid in the first instance to MCP. Any net fees received by MCP (including, for the avoidance of doubt, the Senior Executives) in such circumstances will, for purposes of the management fee offset provisions under the applicable LP Agreements, be considered to have been received by the Adviser notwithstanding that payment will be made to the Senior Executives. It is not expected that the Senior Executives will engage in any activities in their capacities as registered representatives of MCP other than activities on behalf of, or in connection with, Fund Clients (or co-investors) and/or portfolio companies thereof.

Except in limited instances, management fees are non-refundable.

Finally, the Adviser and its affiliates also engage and retain senior advisors, consultants, operating partners and other similar professionals (collectively, "Consultants") who are not employees or affiliates of Stonepeak, SAH and Stonepeak Advisors and who will, from time to time, receive payments from, or allocations with respect to, portfolio companies (including, among other things, net transaction fees). The nature of the relationship with each of the Consultants and the amount of time devoted or required to be devoted by them varies considerably. In certain cases, they provide the Fund Clients and/or the Adviser with industry-specific insights and feedback on investment themes, assist in transaction origination, sourcing or due diligence, make introductions to and provide reference checks on management teams. In other cases, they take on more extensive roles and serve as executives or directors on the boards of portfolio companies or contribute to the identification and origination of new investment opportunities. Stonepeak Funds may rely on these Consultants to recommend Stonepeak and a Stonepeak Fund as a preferred investment partner but there is no assurance that any such Consultant will continue to be involved with Stonepeak and/or a Stonepeak Fund for any length of time.

In most instances, Stonepeak has formal arrangements with these Consultants, but on occasion the relationships are more informal. In certain cases, Consultants have attributes of Stonepeak "employees" (e.g., they may have dedicated offices at Stonepeak, receive administrative support from Stonepeak personnel, participate in general meetings and events for Stonepeak personnel or on Stonepeak matters as their primary or sole business activity, have Stonepeak-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for Stonepeak employees), even though they are not Stonepeak employees, affiliates or personnel for purposes of the governing documents of the Stonepeak Funds, and their salary and related expenses are paid by the Stonepeak Funds as partnership expenses or by portfolio companies without any reduction or offset to management fees. Some Consultants work only for a Stonepeak Fund and its portfolio companies, while others may have other clients. Consultants could have conflicts of interest between their work for a Stonepeak Fund and its portfolio companies, on the one hand, and themselves or other clients, on the other hand, and Stonepeak is limited in its ability to monitor and mitigate these conflicts.

These Consultants are typically compensated (including pursuant to retainers and expense reimbursement) from Stonepeak, Fund Clients and/or portfolio companies, though in certain circumstances they will remain uncompensated unless and until an engagement with a portfolio company develops. In such circumstances, such payments from, or allocations with respect to, portfolio companies and/or the Fund Clients will not,

even if they have the effect of reducing any retainers or minimum amounts otherwise payable by Stonepeak, be deemed paid to or received by Stonepeak and such amounts will not be subject to the offset provisions as described above. These Consultants often have the right or are offered the ability to co-invest alongside the Fund Clients subject to reduced or waived management fees and/or carried interest, including in those investments in which they are involved, or otherwise participate in equity plans for management of any such portfolio company. There can be no assurance that any of the Consultants will continue to serve in such roles and/or continue their arrangements with Stonepeak and/or any portfolio companies throughout the terms of Funds. From time to time, Stonepeak adds additional Consultants who were not acting as such, and thus were not named in offering documents, at the time of a Fund Client's offering.

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

The Adviser does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the managed assets); however, the Adviser is affiliated with the general partners of its Fund Clients, which generally receive performance based distributions (“Carry”). In addition, except as described above in Item 5, with respect to co-investment vehicles, general partners generally receive Carry at a rate as high as half of the rate of the Carry with respect to the Fund Clients (other than Stonepeak Credit Fund I) and as low as zero. None of the general partners of the Fund Clients receive Carry with respect to Stonepeak Credit Fund I.

The receipt of Carry presents a perceived conflict of interest and gives the Adviser or its supervised persons an incentive to recommend certain investments or the timing of exits to maximize either management fees or capital gains. With respect to Stonepeak Fund I, Stonepeak Fund II and Stonepeak Fund III, this risk is generally mitigated by the investment by certain of the owners of the relevant general partner of a significant portion of their individual liquid net worth pro rata with such Fund Client’s investments and the Fund Client’s receipt of a preferred return of fund profits, the amount of which includes all fund expenses (including management fees).

In addition, in allocating investment opportunities, there could be incentives to favor Fund Clients with higher potential performance fees or Carry over Fund Clients with lower or no potential performance fees or Carry. As noted in Item 10 – “Other Financial Industry Activities and Affiliations,” there could also be incentives to favor the SIH SPV.

The Adviser has instituted an allocation policy in order to mitigate those conflicts. In particular, to seek to reduce the effect of such incentives, the Adviser has adopted a written investment allocation policy pursuant to which it seeks to allocate investment opportunities among Fund Clients and/or the SIH SPV in a fair and equitable manner, taking into account, among other factors, the size, investment objectives, acceptable risk levels, return targets, permissible asset classes, preferred asset classes and liquidity requirements of each Fund Client and the SIH SPV. This policy prohibits the allocation of investment opportunities based solely on anticipated compensation or profits to the Adviser or any of its affiliates or professionals, and requires the review and approval of the relevant investment committees (comprised of senior Stonepeak personnel) for allocations of opportunities that may be appropriate for multiple Fund Clients and/or the SIH SPV. Each Fund Client and the SIH SPV typically has its own investment guidelines, governing agreements, and asset class focus that must be taken into account when making investment allocation determinations. While it is generally anticipated that Stonepeak Credit Fund I will have a first-look presumption for debt investments Stonepeak retains discretion to allocate debt investments to another Fund Client if it determines that such allocation is fair and reasonable in accordance with its allocation policy. See “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” for additional information.

To the extent an investment opportunity is appropriate for more than one Fund Client and the SIH SPV, such investment opportunity will be allocated between such Fund Clients or the SIH SPV by the Stonepeak GPs on a basis that they believe in good faith to be fair and reasonable, taking into account, as applicable, the sourcing of the transaction, the nature of the investment focus of each such other vehicle, the relative amounts of capital available for investment, the terms of such Fund Clients’ and the SIH SPV’s governing documents and legal, tax, regulatory, accounting and other similar considerations deemed relevant by the Stonepeak GPs in good faith. Furthermore, with respect to each Stonepeak private equity fund, the applicable Stonepeak GPs or their affiliates will not close any pooled investment fund and/or separate or managed account, in each case, having a substantially similar investment objective as such Fund Client (other than a parallel fund, feeder vehicle, any alternative investment vehicles and any co-investment vehicle, a “Similar Fund”) until at least 75% of the capital commitments have been invested, committed or reserved in investments, or until the end of the investment period. Any Similar Fund closed on or prior to

the expiration of the investment period will invest in investments alongside the applicable Fund Client until the expiration of the investment period on the same terms and conditions in all material respects, with amounts for investment allocated between the applicable Fund Client and the Similar Fund on a basis that the Stonepeak GPs believe in good faith to be fair and reasonable, unless (i) the advisory committee of the applicable Fund Client consents, (ii) the investment by the applicable Fund Client is legally or contractually prohibited or (iii) as a result of the application of any law, regulation or governmental order, the investment could have a material adverse effect on the applicable Fund Client, the Stonepeak GPs or any of their affiliates. In addition, there is some overlap in the investment types permitted by Stonepeak Credit Fund I and the other Fund Clients. In the event that the investment committee of more than one Fund Client approves a potential investment, Stonepeak will allocate the investment opportunity in accordance with its allocation policy and procedures. See “Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” for additional information.

Item 7 - Types of Clients

Stonepeak offers investment advisory services exclusively to private investment funds that are exempt from registration under Section 3(c)(1) and/or Section 3(c)(7) of the Investment Company Act of 1940. Currently, the Advisers have four clients, Stonepeak Fund I, Stonepeak Fund II, Stonepeak Fund III and Stonepeak Credit Fund I, and may serve additional Fund Clients in the future. The Advisers also advise related co-investment vehicles.

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

Methods of Analysis

Stonepeak uses a range of methods to identify, analyze and assess potential and existing investment opportunities. Generally, analytical methods used by the investment team can include gain/loss forecast models, cash-flow models, other financial modeling and simulation, risk sensitivity analysis, fundamental, technical, and cyclical analysis. The Adviser often employs specialist consultants to evaluate resource forecasts for wind, solar and other energy generation investments.

Investment Strategies – Buyout Funds

The strategy that the Adviser uses for Stonepeak Fund I, Stonepeak Fund II, Stonepeak Fund III and any related co-investment vehicles is to focus on what it considers to be lower-risk infrastructure investments in North America middle market, with a bias toward platform build-out investments that are expected to offer, following the initial platform acquisition, the opportunity to put substantial additional capital to work at more attractive earnings multiples. The Adviser works with its Consultants and network of contacts to generate off-market deal flow in infrastructure assets that are primarily in the following sectors:

- **Water & Utilities:** including water distribution, treatment, desalination, waste, utility distribution systems, transmission lines, integrated waste businesses and municipal assets;
- **Energy:** pipelines, other midstream, power generation, renewables and storage assets;
- **Transportation:** rail, airports, roads and ports;
- **Communications:** towers, distributed antenna systems, small cells, fiber, data centers and related wireless and wireline infrastructure subsectors;
- **Power & Renewables:** conventional and renewable generation including storage assets; and
- **Midstream Infrastructure:** oil, gas and natural gas liquids transportation, processing and storage assets.

The Adviser expects to generate return alpha for the Fund Clients and possible other future Fund Clients by applying the following strategies:

- Focus on middle-market deals, where deal flow is more abundant and there is less bidding competition;
- Highly pro-active deal sourcing, focusing on sectors where there are industry changes and getting out ahead of these trends;
- Disciplined value-driven investing, with a focus on critical valuation metrics including replacement cost and unlevered cash flow multiples;
- Conservative use of leverage providing cash flow returns earlier in the investment cycle;
- Investing in growth opportunities, which provide attractive follow-on investment opportunities and the real possibility of out-performing the base case;
- Operational efficiency improvement by applying industrial company best operating practices to protected monopoly assets;
- Bidding with high quality corporate partners who brings synergies/angles; and

- Paying attention to relative pricing between infrastructure sectors, which changes over time.

Differentiated Investment Sourcing

Differentiated investment sourcing is critical for superior returns in infrastructure investing where competition in auctions is relatively strong. The Adviser will focus on opportunities outside of the auction processes particularly in the middle-market.

Stonepeak seeks to generate less competitive opportunities through pro-active marketing to a network of industry contacts. Through the Adviser, a Fund Client may operate an active calling program in key infrastructure sectors aimed at staying ahead of, and operating outside of, competitive auction processes. Typically, the Adviser seeks to identify three or four market themes at any point in time that it feels will give rise to the most interesting investment opportunities. Within each of these themes, a target list of companies is identified that forms the core of the Fund Clients' deal origination marketing program. The Adviser has a relationship with many of these companies and it generally sources the remainder through its Operating Partners and other industry contacts.

Exit Strategies

The Adviser believes that it will be able to pursue a variety of exit options to maximize value through its flexibility with respect to both the timing and type of investment realizations and create liquidity for its Fund Clients and their investors. Stonepeak considers exit options before any investment is made as a guide to purchase price paid but also to ensure that liquidity can be generated for the Fund Clients' investors. The potential exit options include: sale to a strategic, initial public offering, sale to another fund (Secondary Sale), debt recapitalization, listed yield (Income) vehicle, sale to direct financial investor (pension fund/insurance company), yield generated by investment, and sale of individual assets in a portfolio.

Investment Strategies – Credit Funds

With respect to Stonepeak Credit Fund I and any related co-investment vehicles, the Adviser focuses on what it considers to be lower-risk infrastructure investments in the North American market. It is anticipated that Stonepeak Credit Fund I will primarily invest in bonds, loans and other securities with debt-like properties. The investment decisions for Stonepeak Credit Fund I are overseen by an investment committee of Stonepeak senior investment professionals. The investment committee reviews company-specific criteria such as asset value, forecasted cash flows and company liquidity, in addition to credit-specific factors such as trading, liquidity, interest rate exposure and compliance with the conditions of the Fund Clients' LP Agreements (such as concentration limitations, collateral quality and collateral obligations). The investment committee also reviews general economic and market conditions, political events, industry trends and changes in interest rates. The credit team closely monitors investments through regular meetings and communication with management and equity sponsors. The credit team also conducts internal ongoing reviews of individual credits, market activity and the current trading environment.

Risk Factors – General

As with any type of investing, a certain degree of risk can be associated with private investments. As a result, Fund Clients should be prepared to bear the following potential risks. Because of the nature of investment opportunities that Stonepeak advises on, the anticipated or targeted returns cannot be guaranteed. There can be no assurance that the Fund Clients' investment objectives will be achieved. The possibility of partial or total loss of capital will exist and Fund Clients and their investors must be prepared to bear capital losses that could result from investments. Potential investors in a Fund Client should carefully consider the risks of Fund Clients' investments, which include, but are not limited to, the following:

No Assurance of Investment Return. Stonepeak cannot provide assurance that it will be able to choose, make, and realize anticipated or targeted returns in any investment opportunity. Stonepeak uses extensive research, forecasting analyses and modeling for the purpose of identifying in advance and mitigating any potential performance risks; however, returns can be unpredictable and ultimately there can be no assurance that the Adviser's investment recommendations will be able to generate returns or that the returns will be commensurate with the risks of investing. During due diligence, Stonepeak will analyze the track records and historical performance of potential investments as well as the underlying assumptions and key drivers of success in order to maximize the Fund Clients' and their investors' probability of achieving targeted returns.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments to be pursued as part of the Fund Clients' investment programs is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions as well as the prevailing regulatory and political climate. In particular, in light of changes in such conditions, including changes in the availability and cost of debt financing, certain types of investment opportunities may not be available to the Fund Clients on terms that are as attractive as the terms on which opportunities were available to previous investment programs sponsored by Stonepeak. The Fund Clients will be competing for investment opportunities with a significant number of other investors, including, without limitation, other investment partnerships and corporations, business development companies, sovereign wealth funds, domestic and international public pension plans, the public debt and equity markets, individuals, financial institutions and other financial investors investing directly or through affiliates. Furthermore, over the past several years, an ever-increasing number of tactical opportunity, special situations and related investment funds have been formed and many such existing funds have grown substantially in size, including private equity funds investing in stressed, distressed, special situations, private equity and similar strategies resulting in an unprecedented amount of capital available for private equity investment. Additional funds with similar objectives will likely be formed in the future by other unrelated parties.

Some of these competitors may have more relevant experience, greater financial, technical, marketing and other resources, more personnel, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital, synergistic cost savings and access to funding sources unavailable to Stonepeak and the Fund Clients. Consequently, competition for appropriate investment opportunities has increased, and it is possible that competition for appropriate investment opportunities may continue to increase, thus reducing the number of investment opportunities available to the Fund Clients and adversely affecting the terms, including without limitation, pricing, upon which investments can be made. There can be no assurance that the Fund Clients will be able to locate, consummate and exit investments that satisfy the Fund Clients' target equity size range, rate of return objectives or realize upon their values or that they will be able to invest fully their committed capital. To the extent that the Fund Clients encounter competition for investments, returns to investors may decrease.

In addition, Stonepeak's investment strategies in certain sectors may depend on its ability to enter into satisfactory relationships with joint venture partners, operating executives or senior advisors. There can be no assurance that Stonepeak's current relationship with any such partner, operating executive or senior advisor will continue (whether on currently applicable terms or otherwise) with respect to the Fund Clients or that any relationship with other such persons will be able to be established in the future as desired with respect to any sector or geographic market and on terms favorable to the Fund Clients.

Legal and Regulatory Risks. Legal and regulatory changes could occur during the term of a Fund Client that may adversely affect any Fund Client, its portfolio investments or its partners. For example, a Fund Client expects to make investments in a number of different sectors, some of which are or may become subject to regulation by one or more U.S. federal agencies and by various agencies of the states, localities

and counties in which they operate. New and existing regulations, changing regulatory schemes and the burdens of regulatory compliance all may have a material negative impact on the performance of portfolio investments that operate in these industries. Neither the general partner nor the advisor of a Fund Client can predict whether new legislation or regulation governing those industries will be enacted by legislative bodies or governmental agencies, nor can either of them predict what effect such legislation or regulation might have. There can be no assurance that new legislation or regulation, including changes to existing laws and regulations, will not have a material negative impact on a Fund Client's investment performance.

Moreover, increased scrutiny and newly proposed legislation applicable to private investment funds and their sponsors may also impose significant administrative burdens on the applicable manager and may divert time and attention from portfolio management activities. In addition, and in particular in light of the changing global regulatory climate, a Fund Client may be required to register under certain foreign laws and regulations, and need to engage distributors or other agents in certain non-U.S. jurisdictions in order to market interests to potential investors. The effect of any future regulatory change on a Fund Client could be substantial and adverse. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies.

In addition, Stonepeak and its affiliates engage in a broad variety of activities. These activities have in the past, and may in the future, subject Stonepeak or one or more of its affiliates to risks of becoming involved in litigation by third parties or may subject Stonepeak or any such affiliate to investigations or proceedings initiated by governmental authorities. It is difficult to determine what impact, if any, such litigation may have on Stonepeak, or any such affiliate or the Fund Clients. As a result, there can be no assurance that the foregoing will not have an adverse impact on Stonepeak, any of its affiliates or the Fund Clients, or otherwise impede a Fund Client's ability to effectively achieve its objectives.

Regulatory Approvals/Consents. The Adviser may recommend an investment for a Fund Client in the equity or debt of a renewable generation project or similar type of asset that may not receive the initial regulatory approval or license needed to acquire or otherwise operate an investment, including after substantial costs have been incurred pursuing such investment. Additional or unanticipated regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may be required to acquire or operate infrastructure assets, and additional approvals may become applicable in the future due to a change in laws and regulations, a change in the portfolio company's customer(s) or for other reasons. Furthermore, permits or special rulings may be required on taxation, financial and regulatory related issues. While the Adviser's strategy is to limit exposure to permitting risk, in certain limited instances the Adviser may recommend incurring permitting risk. There can be no assurance that a portfolio company will be able to (i) obtain all required regulatory approvals that it does not yet have or that it may require in the future, (ii) obtain any necessary modifications to existing regulatory approvals, or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility or sales to third parties or could result in additional costs to a portfolio company and the Fund. The nature of these obligations and dependencies expose the owners of such assets to a higher level of regulatory control than typically imposed on other businesses, resulting in government entities having significant influence over such owners and companies.

The United Kingdom and Brexit. The United Kingdom ("UK") formally notified the European Council of its intention to leave the European Union ("EU") on 29 March 2017. Under the process for leaving the EU contemplated in article 50 of the Treaty on the European Union ("TEU"), the UK will remain a member state until a withdrawal agreement is entered into, or failing that, two years following the notification of the intention to leave, unless the European Council in agreement with the UK decides to extend this period.

Under guidelines published by the European Council pursuant to article 50, the negotiations will be conducted broadly in two phases. The first phase is intended to ensure an orderly withdrawal from the EU. The second phase of negotiations will be directed toward a framework for a future relationship between the UK and the EU—although the future relationship can only be finalised once the UK becomes a third country. Assuming it will take two years to negotiate a withdrawal agreement and outline a framework for a future relationship, the UK will remain a member state subject to EU law with privileges to provide services under the single market directives until at least 29 March 2019. However, given the size and importance of the UK's economy, uncertainty or unpredictability about its legal, political and economic relationship with the EU may be a source of instability, create significant currency fluctuations, and/or otherwise adversely affect international markets, arrangements for trading or other existing cross-border co-operation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future including during negotiations and beyond the date of the UK's withdrawal from the EU. For these reasons, the decision of the UK to leave the EU could have adverse consequences on any Fund Client, the performance of its investments and any ability to fulfil its investment objectives.

Uncertainty of Financial Projections. The Adviser may recommend an investment based on the target's financial projections and various projections of the investment team. Projected operating results will normally be influenced by management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections and the performance of any investment in such portfolio company.

Financial Leverage. Typically, a Fund Client intends to utilize significant leverage, subject to certain conditions, to finance its investments in a manner it believes is appropriate. The use of leverage involves a high degree of financial risk and will increase the exposure of such Fund Client's investments to adverse economic factors such as rising interest rates, downturns in the economy or further deteriorations in the markets generally. Moreover, any rise in interest rates may significantly increase the interest expense related to an investment, causing losses, and/or the inability to service a Fund Client's debt obligations. If an investment cannot generate adequate cash flow to meet debt obligations, a Fund Client may suffer a partial or total loss of capital invested in the investment. The Fund Clients may also obtain leverage at the fund level. Although borrowings by the Fund Clients have the potential to enhance overall returns that exceed the Fund Clients' cost of funds, they will further diminish returns (or increase losses on capital) to the extent overall returns are less than the Fund Clients' cost of funds. As a result, the possibilities of profit and loss are increased. Borrowing money to make investments provides the Fund Clients with the advantages of leverage, but exposes them to greater market risks and higher current expenses. In addition, borrowings by the Fund Clients may be secured by the limited partners' capital commitments as well as by the Fund Clients' assets, including portfolio companies, and the documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the limited partners may be subordinated to such borrowing. If a Fund Client defaults on secured indebtedness, the lender may foreclose and such Fund Client could lose its entire investment in the security for such loan. The exercise by the lenders of their drawdown right under a subscription credit facility would reduce the amount of capital otherwise available to a Fund Client for making investments and may negatively impact such Fund Client's ability to make investments or achieve its investment objectives. Limited partners may be required to execute an investor acknowledgement for the benefit of the lenders under the subscription credit facility and may be required to acknowledge their obligations to pay their share of indebtedness up to their unfunded capital commitment. A Fund Client may also be unable to secure permanent financing through a term financing facility before the end of the investment period, which may negatively impact such Fund Client's investment objectives and returns. Tax Exempt Investors should note that the incurrence of indebtedness by a Fund Client may create "unrelated business taxable income".

Unspecified Investments. The Fund Clients must rely upon the ability of the Adviser to help the Stonepeak GPs to identify structure and implement investments consistent with the Fund Clients' investment objectives and policies. The Adviser may be unable to find a sufficient number of attractive opportunities to meet the Fund Clients' investment objectives. The success of the Fund Clients will depend on the ability of the Adviser to help the Stonepeak GPs identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of investments.

Public Company Holdings. Each Fund Client's investment portfolio may contain securities issued by publicly held companies. Such investments may subject the Fund Clients to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund Clients to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members (which may include persons affiliated with the Adviser) and increased costs associated with each of the aforementioned risks.

Risk of Limited Number of Investments; Lack of Diversification. The Fund Clients may be subject to restrictions on the size of investments such that not more than a particular percentage of the aggregate amount of capital commitments may be invested in any one investment. Accordingly, the Fund Clients may participate in a limited number of investments and, as a consequence, the aggregate return of the Fund Clients may be substantially adversely affected by the unfavorable performance of even a single investment. If certain investments perform unfavorably, it may materially and adversely affect overall fund returns. To the extent a Fund Client concentrates investments in a particular asset class or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic to business conditions with respect thereto. In addition, certain geographic regions and/or industries may be more adversely affected from economic pressures when compared to other geographic regions and/or industries.

Cyber Security Breaches and Identity Theft. Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Each Fund Client, its portfolio companies' and their service providers' information and technology systems may be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications, or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete, or modify private and sensitive information, including nonpublic personal information and material nonpublic information. Although Stonepeak has implemented, and the Fund Clients' portfolio companies and their service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Stonepeak does not control the cyber security plans and systems put in place by third party service providers, and such third party service providers may have limited indemnification obligations to Stonepeak, a Fund Client and/or a portfolio company, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users, and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. Stonepeak, a Fund client, and/or a portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Stonepeak's, a Fund Client's and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive

data, including personal information relating to Limited Partners (and their beneficial owners), material nonpublic information in possession of and the intellectual property and trade secrets and other sensitive information of Stonepeak and/or portfolio companies. Such a failure could harm Stonepeak's, a Fund Client's and/or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims, regulatory action or enforcement arising out of applicable privacy or other laws and adverse publicity and otherwise affect their business and financial performance.

Risks in Effecting Operating Improvements. In some cases, the success of the Adviser's investment strategy will depend, in part, on the ability of the Adviser to restructure and effect improvements in the operations of a portfolio company. 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 Adviser will be able to successfully identify and implement such restructuring programs and improvements.

Reliance on Portfolio Company Management Team. Each portfolio company's day-to-day operations will be the responsibility of such portfolio company's management team. Although Stonepeak will be responsible for monitoring the performance of each investment, there can be no assurance that the existing management team, or any successor, will be able to successfully operate the portfolio company in accordance with a Stonepeak's investment thesis and plans. Additionally, portfolio companies need to attract, retain and develop executives and members of their management teams. The market for executive talent can be, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, a Fund Client may be adversely affected thereby.

General Economic and Market Conditions. The success of a Fund Client's investment activities will be affected by general economic and market conditions, as well as by a number of other economic factors that are outside of Stonepeak's control and that involve a high degree of business and financial risk. These factors include, but are not limited to, changes in laws, changes in the financial condition or prospects of the entity in which the investment is made, fluctuations in currency exchange rates and interest rates, changes in the relative prices of commodities or securities, inflation, general economic and market conditions and activity, and national and international political, environmental and socioeconomic circumstances. There is no assurance that any key trends or economic and market conditions for infrastructure and debt investing will continue to improve or not deteriorate. Any slowdown or downturn in the U.S. or global economy (or any particular segment thereof) or adverse development in prevailing market trends could adversely affect a Fund Client's profitability, impede the ability of such Fund Client's portfolio companies to perform under or refinance their existing obligations, and impair a Fund Client's ability to effectively consummate and exit portfolio investments on favorable terms.

Hedging Policies/Risks. In connection with the financing of certain investments, the Adviser may propose that a Fund Client utilize a wide variety of derivative financial instruments for risk management purposes, the use of which is a highly specialized activity that may entail greater than ordinary investment risks. Any such hedging transactions may not be effective in mitigating risk in all market conditions or against all types of risk (including unidentified or unanticipated risks), thereby resulting in losses to the Fund Client. Engaging in hedging transactions may result in a poorer overall performance for the Fund Client than if it had not engaged in any such hedging transaction, and the Adviser may not be able to effectively hedge against, or accurately anticipate, certain risks that may adversely affect the Fund Clients' investment portfolio. In addition, a Fund Client's investment portfolio may be exposed to certain risks that cannot be fully or effectively hedged, such as credit risk relating both to particular securities and counterparties.

Other Trading and Investing Activities. Certain Fund Clients may invest in securities of publicly traded companies that are actual or potential companies in which other Fund Client(s) have made or will make investments. The trading activities of such other Fund Client(s) may differ from or be inconsistent with activities, which are undertaken for the account of certain Fund Clients in such securities or related securities. In addition, certain Fund Clients may be precluded from pursuing an investment in an issuer as a result of such trading activities by other Fund Client(s).

Investments in Which Another Fund Client Has a Different Principal Investment. Certain Fund Clients make investments in portfolio companies in which other Fund Clients (and/or other vehicles or accounts managed by an investment adviser affiliated with Stonepeak) have made or are concurrently making a different principal investment at the time of such Fund Client's investment (e.g., in different parts of the capital structure). In such situations, the Fund Clients (and/or other vehicles or accounts managed by an investment adviser affiliated with Stonepeak) could have conflicting interests (e.g., over the terms of their respective investments, including equity v. debt investments).

Confidential or Material, Non-Public Information. By reason of their responsibilities in connection with other activities of Stonepeak, certain Stonepeak investment professionals may acquire confidential or material, non-public information concerning an entity in which Fund Clients have invested, or propose to invest, and the possession of such information may limit the ability of the Adviser to buy or sell particular securities of such entity on behalf of Fund Clients, thereby limiting the investment opportunities or exit strategies available to the Fund Clients. In addition, holdings in the securities of an issuer by Stonepeak or its affiliates may affect the ability of Fund Clients to make certain acquisitions of or enter into certain transactions with such issuer.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Risk of Fraud in Portfolio Companies: Before making investments, Stonepeak will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside 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. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to Stonepeak's reduced control of the functions that are outsourced. In addition, if Stonepeak is unable to timely engage third-party providers its ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, Stonepeak will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that Stonepeak carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments, including pursuant to risk management procedures and environmental, social and governance guidelines, will achieve their desired effect.

There can be no assurance that Stonepeak will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the investment on an ongoing basis or that any risk management procedures implemented by Stonepeak will be adequate. In the event of fraud by any portfolio company or any of its managers or affiliates, a Fund Client may suffer a partial or total loss of capital invested in that portfolio company. There can be no assurances that any such losses will be offset by gains (if any) realized on a Fund Client's other investments. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company, issuer or the seller. Such inaccuracy or incompleteness may adversely affect the value of a Fund

Client's securities and/or instruments in such portfolio company. The Fund Client will rely upon the accuracy and completeness of representations made by portfolio companies and/or their former owners in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund Client may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Misrepresentation, Fraud and Misconduct. Of significant concern in lending and investing is the possibility of material misrepresentation or omission by a counterparty. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the investment or may adversely affect the ability of a Fund Client to perfect or effectuate a lien on the collateral securing the investment. A Fund Client generally relies upon the accuracy and completeness of representations made by counterparties, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund Client may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Currency and Exchange Rate Risks. Although a Fund Client's investments, and income received by such Fund Client with respect to such investments, are expected to be denominated primarily in U.S. dollars, certain investments may be made in currencies other than U.S. dollars. In addition, the books of such Fund Client will be maintained, and capital contributions to and distributions from the Fund Client are expected to be made, in U.S. dollars. To the extent the Fund Client's investments are made in currencies other than U.S. dollars, changes in currency exchange rates, costs of conversion and exchange control regulations may adversely affect the dollar value of investments, interest and dividends received by the Fund Client, gains and losses realized on the sale of such investments and the amount of distributions, if any, to be made by the Fund Client in respect of such investments. Moreover, the Fund Client will incur costs or could experience substantial delays when, or be prohibited from, converting one currency into another. Although the applicable Stonepeak GP may enter into hedging transactions designed to reduce such currency risks, there can be no assurance that any such transactions would achieve their intended results. Further, such hedging transactions could result in diminished returns (or increased losses on capital) to the extent overall returns are less than the Fund Client's costs or losses associated with such hedging transactions.

Risk Factors – Buyout Funds

Potential investors in Stonepeak Fund I, Stonepeak Fund II, Stonepeak Fund III and any related co-investment vehicles should carefully consider the risks specific to such Fund Clients' investments, which include, but are not limited to, the following:

Nature of Infrastructure Investments Generally. Investment in infrastructure assets involves many relatively unique and acute risks. Project revenues can be affected by a number of factors including economic and market conditions, political events, competition, regulation, and the financial position and business strategy of customers. Unanticipated changes in the availability or price of inputs necessary for the operation of infrastructure assets may adversely affect the overall profitability of the investment or related project. Events outside the control of a portfolio company (which for all purposes of this paragraph includes assets, projects and/or businesses in which the Fund Clients invest), such as political action, governmental regulation, demographic changes, economic growth, increasing fuel prices, government macroeconomic policies, political events, toll rates, social stability, competition from untolled or other forms of transportation, natural disasters, changes in weather, changes in demand for products or services, bankruptcy, or financial difficulty of a major customer and acts of war or terrorism, could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining

or restoring infrastructure facilities. In turn, this may impair a portfolio company's ability to repay its debt, make distributions to a Fund Client or even result in termination of an applicable concession or other agreement. As a general matter, the operation and maintenance of infrastructure assets or businesses involve various risks and are subject to substantial regulation (as described below), many of which may not be under the control of the owner/operator, including labor issues, failure of technology to perform as anticipated, structural failures and accidents and the need to comply with the directives of government authorities. Although portfolio companies may maintain insurance to protect against certain risks, where available on reasonable commercial terms (such as business interruption insurance that is intended to offset loss of revenues during an operational interruption), such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all of a portfolio company's losses. Furthermore, once infrastructure assets of investments become operational, they may face competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on governmental plans and policies.

Energy and Natural Resources Regulatory Risk. The energy and natural resource sectors are subject to comprehensive United States and non-U.S. federal, state, and local laws and regulations. Present, as well as future, statutes and regulations could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect a Fund Client's investments and the prospects of such Fund Client. There can be no assurance that (i) existing regulations applicable to investments generally or the portfolio companies will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to portfolio companies; (iii) the technology and equipment selected by portfolio companies to comply with current and future regulatory requirements will meet such requirements; (iv) such portfolio companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies. In addition, in many instances, the operation or acquisition of energy infrastructure assets may involve an ongoing commitment to or from a government agency. The nature of these obligations exposes the owners of infrastructure investments to a higher level of regulatory control than typically imposed on other businesses.

Technical Risk. Investments in the infrastructure industry may be subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events that adversely affect operations. While the Fund Clients intend to seek investments in which creditworthy and appropriately bonded and insured third parties bear much of these risks, there can be no assurance that any or all such risks can be mitigated or that such parties, if present, will perform their obligations.

Investments in the Energy Sector. The operations of energy companies are subject to many risks inherent in the transporting, processing, storing, distributing, mining or marketing of natural gas, natural gas liquids, crude oil, coal, refined petroleum products or other hydrocarbons, or in the exploring, managing or producing of such commodities, including, without limitation: damage to pipelines, storage tanks or related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters or by acts of terrorism; inadvertent damage from construction and farm equipment; leaks of natural gas, natural gas liquids, crude oil, refined petroleum products or other hydrocarbons; and fires and explosions. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage, and may result in the curtailment or suspension of their related operations, any and all of which could result in lower than expected returns to a Fund Client.

Volatility of Commodity Prices. The performance of certain of Fund Client investments may be substantially dependent upon prevailing prices of oil, natural gas, coal, metals, and other commodities and the differential between prices of specific commodities that are a primary factor in the profitability of certain conversion activities such as petroleum refining (“crack spread”) and power generation (“spark spread”). For example, the operation and cash flows of a Fund Client investment may depend, in some cases to a significant extent, upon prevailing or improving market prices for energy and other commodities. Commodity prices have been, and may in the future be, volatile and subject to wide fluctuations in response to uncertain market factors that are beyond the control of each Fund Client, its general partner, and the applicable Adviser, including (i) changes in supply and demand, (ii) market uncertainty, (iii) political conditions in commodity-producing regions, (iv) the competitive position of energy-related commodities as compared with other energy sources, (v) the industry-wide refining or processing capacity for energy-related commodities, (vi) weather conditions, and (vii) overall economic conditions. These factors may affect the level and volatility of commodities prices and the liquidity of a Fund Client’s investments, which could impair such Fund Client’s performance or result in losses.

Effects of Ongoing Changes in the Utility Industry. Fund Clients may make certain investments in utility industries both in the United States and abroad. In many regions, including the United States, the market dynamics of the utility industry may change, primarily in wholesale markets, as a result of consumer demands, technological advances, greater availability of natural gas and other factors. As a result, additional significant competitors could become active in parts of the utility industry. In addition, utility asset owners may find it increasingly difficult to negotiate long-term procurement or sales agreements with counterparties, which may affect a Fund Client’s profitability and financial stability. To the extent competitive pressures increase and the pricing and sale of electricity assume more characteristics of a commodity business, the economics of independent power generation projects into which a Fund Client may invest may come under increasing pressure.

Weather and Climatological Risks. Certain energy companies may be particularly sensitive to weather and climate conditions. For example, solar power generators rely on the frequency and intensity of sunlight, wind turbines rely on the frequency and intensity of the wind, and companies focused on biomass rely on the production of crops, which can be adversely affected by droughts and other weather conditions.

Platform Investments. From time to time, a Fund Client may recruit a management team to pursue a new “platform” opportunity expected to lead to the formation of a future portfolio company. In other cases, a Fund Client may form a new investment and recruit a management team to build the portfolio company through acquisitions and organic growth. In both cases, such Fund Client will bear the expenses of the management team or portfolio company, as the case may be, including any overhead expenses, employee compensation, diligence expenses or other related expenses in connection with backing the management team or building out the platform company. Such expenses may be borne directly by a Fund Client as fund expenses (or broken deal expenses, if applicable) or indirectly as such Fund Client bears the start-up and ongoing expenses of the newly formed platform portfolio company. In certain cases the services provided by a management team may overlap with the services provided by the applicable Adviser to a Fund Client. The compensation of management of a platform portfolio company may include interests in the profits of the portfolio company, including profits realized in connection with the disposition of an asset. Although a platform portfolio company may be controlled by a Fund Client, members of a management team will not be treated as affiliates of the general partner for purposes of the applicable LP Agreement. Accordingly, none of the expenses described above will offset the management fee.

Illiquid and Long-Term Investments; Investments Longer than Term. Fund Clients and their investors must bear the risk of limited liquidity for the duration of their private market investments. Investments in infrastructure assets are generally less liquid and involve a longer holding period than traditional private equity investments, which are themselves often considered illiquid and long-term. Investments in unlisted

companies can be difficult or impossible to realize. Although investments by the Fund Clients may generate some current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition of such investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made. Some investments proposed by the Adviser may not be advantageously disposed of prior to the date the Fund Clients will be dissolved, either by expiration of the Fund Clients' term or otherwise. It is unlikely that there will be a public market for the securities held by the Fund Clients at the time of their acquisition. Therefore, no assurance can be given that, if a Fund Client is determined to dispose of a particular investment held by the Fund Client, it could dispose of such investments at a prevailing market price, and there is a risk that disposition of such investments may require a lengthy time period or may result in distributions in kind to investors. Although the Adviser expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the Fund Clients may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. Any dispositions prior to the expiration date of the expected holding period for such investor may adversely affect returns. The Fund Clients will generally not be able to sell their investments through the public markets unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. Additionally, there can be no assurances that investments can be sold on a private basis. In addition, in some cases the Fund Clients may be prohibited by contract or legal or regulatory reasons from selling certain securities for a period of time. Furthermore, infrastructure investments by their nature are subject to industry cyclicality, downturns in demand, market disruptions, and the lack of available capital for potential purchasers and are therefore often difficult or time consuming to liquidate. Upon dissolution of the Fund Clients or as otherwise provided in the LP Agreements, investments may be distributed in-kind so that the limited partners of the Fund Clients may then become equity holders in one or more public or private companies (and as a consequence be unable to protect their interests in the same manner as their interests in the Fund Clients).

Risk Factors – Credit Funds

The following risk factors primarily relate to Stonepeak Credit Fund I, and may also relate to the other Fund Clients to the extent such Fund Clients invest in credit investments. Potential investors in such Fund Clients should carefully consider the risks related to such Fund Clients' investments, which include, but are not limited to, the following:

New Strategy. The size and type of investments to be made by Stonepeak Credit Fund I will differ from prior Stonepeak equity investments or funds, which have substantially different investment strategies and objectives than those of Stonepeak Credit Fund I and were managed by different investment professionals than those involved with a credit fund. Although certain investment professionals who will participate in providing investment advice to the credit fund have previously worked together as employees at Stonepeak or other financial institutions, they have not previously worked as a group at Stonepeak in the context of managing a debt investment fund. The success of Stonepeak Credit Fund I will be dependent, in whole or in part, on the ability of its personnel to successfully deploy the new strategy within the Stonepeak organization. The prior transactional advisory experience of Stonepeak Credit Fund I's professionals is not fully relevant to the principal transactions they will pursue for Stonepeak Credit Fund I. Accordingly, investors should draw no conclusions from the prior experience of the investment professionals or the performance of any other Stonepeak investments or fund and should not expect to achieve similar returns.

Credit Risk. One of the fundamental risks associated with Stonepeak Credit Fund I's investments is credit risk, which is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. Stonepeak Credit Fund I's returns would be adversely impacted if an issuer of debt in which Stonepeak Credit Fund I invests becomes unable to make such payments when due. Although Stonepeak Credit Fund I may make investments that the general partner believes are secured by specific

collateral the value of which may initially exceed the principal amount of such investments or Stonepeak Credit Fund I's fair value of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. Stonepeak Credit Fund I may also invest in leveraged loans, high yield securities and other unsecured investments, each of which involves a higher degree of risk than senior secured loans. Furthermore, Stonepeak Credit Fund I's right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of the senior lender. Certain of these investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In addition, certain instruments may provide for payments-in-kind, which have a similar effect of deferring current cash payments. In such cases, a portfolio company's ability to repay the principal of an investment may be dependent upon a liquidity event or the long-term success of the portfolio company, the occurrence of which is uncertain. With respect to Stonepeak Credit Fund I's investments in any number of credit products, if the borrower or issuer breaches any of the covenants or restrictions under the indenture governing notes or the credit agreement that governs loans of such issuer or borrower, it could result in a default under the applicable indebtedness as well as the indebtedness held by Stonepeak Credit Fund I. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. This could result in an impairment or loss of Stonepeak Credit Fund I's investment or result in a pre-payment (in whole or in part) of Stonepeak Credit Fund I's investment. As it relates to all of the foregoing risks and related considerations discussed above, it should also be noted that Stonepeak Credit Fund I is expected to also invest in high yield bonds and other unsecured investments, each of which involves a higher degree of risk than senior secured loans.

Nature of Junior, Subordinated and/or Unsecured Investments. Stonepeak Credit Fund I's strategy may entail acquiring investments that are junior, subordinated and/or unsecured instruments. If the portfolio company in question does not successfully reorganize, Stonepeak Credit Fund I will have no assurance (as do those distressed investors that acquire only fully collateralized positions) that it will recover any of the principal that it has invested. While such junior, subordinated or unsecured investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of the investments and may benefit from cross-default provisions and security over the portfolio company's assets, some or all of such terms may not be part of particular investments. Moreover, the ability of Stonepeak Credit Fund I to influence a portfolio company's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. For example, under typical subordination terms, senior creditors are able to block the acceleration of the debt or the exercise by debt holders of other rights they may have as creditors. Accordingly, Stonepeak Credit Fund I may not be able to take steps to protect its investments in a timely manner or at all and there can be no assurance that the rate of return objectives of such credit fund or any particular investment will be achieved. In addition, the debt investments in which Stonepeak Credit Fund I may invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and may not be rated by a credit rating agency.

Stonepeak Credit Fund I's investments may be in the form of subordinated debt instruments, which will rank behind the borrower's more senior indebtedness. As a result, upon any distribution to a borrower's creditors in a bankruptcy, liquidation or reorganization or similar proceeding, the holders of such borrower's more senior and/or secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made on Stonepeak Credit Fund I's investment. In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to a borrower, Stonepeak Credit Fund I will participate with all other holders of such borrower's indebtedness in the assets remaining after the borrower has paid all of its more senior and/or secured indebtedness (to the extent of the collateral securing such obligation). A borrower may not have sufficient funds to pay all of its creditors

and Stonepeak Credit Fund I may receive nothing, or less, ratably, than the holders of more senior and/or secured indebtedness of such borrower or the holders of indebtedness that is not subordinated.

Stonepeak Credit Fund I's investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by Stonepeak Credit Fund I earlier than expected. This may happen when there is a decline in interest rates. Early repayments of Stonepeak Credit Fund I's investments may have a material adverse effect on such credit fund's investment objectives and the internal rate of return on invested capital. In addition, depending on fluctuations of the equity markets and other factors, warrants and other equity investments may become worthless. There can be no assurance that attempts to provide downside protection through contractual or structural terms with respect to Stonepeak Credit Fund I's investments will achieve their desired effect. Certain investments of Stonepeak Credit Fund I may not have all of the characteristics targeted by such credit fund. Furthermore, Stonepeak Credit Fund I has limited flexibility to negotiate terms when purchasing newly issued investments in connection with a syndication of mezzanine or certain other junior or subordinated investments or in the secondary market.

Nature of Investment in Senior Loans. The assets of Stonepeak Credit Fund I will likely include first lien senior secured debt, but may also include selected second lien senior secured debt, which involves a higher degree of risk of a loss of capital. The factors affecting an issuer's first and second lien leveraged loans, and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other debt of an issuer. Any secured debt is generally secured only to the extent of its lien and only to the extent of the value of the underlying assets on already secured assets. Moreover, underlying assets are subject to credit, liquidity, and interest rate risk. Although the amount and characteristics of the underlying assets selected as collateral may allow Stonepeak Credit Fund I to withstand certain assumed deficiencies in payments occasioned by the borrower's default, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to Stonepeak Credit Fund I in respect to its investment. The borrowers on loans constituting Stonepeak Credit Fund I's assets may seek the protections afforded by bankruptcy, insolvency and other debtor relief laws.

Senior secured loans are also subject to other risks, including (i) the possible invalidation of a debt or lien as a "fraudulent conveyance", (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing, (iii) equitable subordination claims by other creditors, (iv) so-called "lender liability" claims by the issuer of the obligations and (v) environmental liabilities that may arise with respect to collateral securing the obligations. Loans may become non-performing for a variety of reasons. Adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership, or distressed exchange, can significantly diminish the value of Stonepeak Credit Fund I's investment in any such company. Stonepeak Credit Fund I's investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by Stonepeak Credit Fund I earlier than expected. In addition, depending on fluctuations of the equity markets, warrants and other equity securities may become worthless. To the extent Stonepeak Credit Fund I holds subordinated debt securities, such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Such debt investments may not be protected by financial covenants or limitations upon additional indebtedness. Certain of Stonepeak Credit Fund I's senior loans may be unsecured or be senior subordinated notes.

Item 9 - Disciplinary Information

No legal or disciplinary events that are material to a Fund Client or prospective Fund Client's evaluation of Stonepeak's advisory business or the integrity of its management have occurred.

Item 10 - Other Financial Industry Activities and Affiliations

Stonepeak is an independent investment adviser exclusively to private equity and other funds and is not affiliated or registered (or has any application pending) as a securities broker-dealer, a futures commission merchant, commodity pool operator, commodity trading adviser or an associated person of any of the foregoing entities.

Each of the Senior Executives is a registered representative of MCP, which is registered with the SEC as a broker-dealer and is a member of FINRA. MCP is not an affiliate of the Adviser. In certain limited circumstances involving the receipt of fees of the type described herein, such activities will be carried out by the Senior Executives as registered representatives of MCP and fees payable will be paid in the first instance to MCP. Any net fees received by MCP (including, for the avoidance of doubt, the Senior Executives) in such circumstances will, for purposes of the management fee offset provisions under the applicable LP Agreements, be considered to have been received by the Adviser notwithstanding that payment will be made to the Senior Executives. It is not expected that the Senior Executives will engage in any activities in their capacities as registered representatives of MCP other than activities on behalf of, or in connection with, Fund Clients (or co-investors) and/or portfolio companies thereof. Other than the Senior Executives, none of Stonepeak's other managing directors or professional staff is a representative of a broker-dealer or any other regulated securities entities.

An employee of the Adviser is a former employee of a third party that, during his employment with the third party provided advisory services to certain investors in Stonepeak Fund II and investors in funds managed by other investment advisers. The advice to such investors in Stonepeak Fund II included recommending Stonepeak Fund II to the investors. The employee continues to hold economic interests in his former employer through which he will continue to receive compensation related to the advisory services previously provided prior to becoming an employee of Stonepeak.

Other than the relationships with TIAA Advisor Investor (described below), MCP (described above), Landmark (described above) and the arrangement of the employee (described above), neither Stonepeak nor its management persons or professional staff has a relationship or arrangement that is material to its advisory business or its Fund Clients with a related person of the type listed below:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker
- Investment company or other pooled investment vehicle
- Other investment adviser or financial planner
- Futures commission merchant, commodity pool operator, or commodity trading adviser
- Banking or thrift institution
- Accountant or accounting firm
- Lawyer or law firm
- Insurance company or agency
- Pension consultant
- Real estate broker or dealer
- Sponsor or syndicator of limited partnerships

Adviser's Special Relationship with TIAA

TIAA Advisor Investor has provided seed capital to SAH. As a result, TIAA Advisor Investor owns a minority interest of SAH as a member thereof. TIAA Advisor Investor also owns a minority interest of Stonepeak GP Holdings I, Stonepeak GP Holdings II and Stonepeak GP Holdings III as a limited partner in each of these entities. Through its interests in SAH, Stonepeak GP Holdings I, Stonepeak GP Holdings II and Stonepeak GP Holdings III, TIAA Advisor Investor has indirect interests in Stonepeak Advisors I, Stonepeak GP I, Stonepeak GP II and Stonepeak GP III, respectively. TIAA Advisor Investor has no interest in the Adviser, Stonepeak Advisors II, Stonepeak Advisors III, Stonepeak Credit Advisors I, Stonepeak Credit GP I or Stonepeak Partners GP. TIAA Advisor Investor is an affiliate of TIAA. TIAA Advisor Investor, which is an affiliate of TIAA, is a limited partner of the Stonepeak Fund I and Stonepeak Fund II and has made a substantial anchor investment in Stonepeak Fund I.

While the Stonepeak Advisors and the Stonepeak GPs will generally manage the business and affairs of the Stonepeak Funds, as a result of its interests in SAH and Stonepeak GP Holdings, TIAA Advisor Investor is entitled to certain contractual economic, governance, reporting and other rights. For instance, TIAA Advisor Investor will receive a portion of the fees and distributions (including Carry) payable to SAH, Stonepeak GP I, Stonepeak GP II and Stonepeak GP III. Two representatives designated by TIAA Advisor Investor also serve on the Steering Committee and the Fund I Investment Committee. The consent of at least one of TIAA Advisor Investor's representatives on the Steering Committee to all material operating decisions of Stonepeak Fund I and SAH is required; however, investment decisions are controlled by Mr. Dorrell and Mr. Vichie.

The interests of the TIAA Advisor Investor and its affiliates may conflict with the interests of the Fund Clients and investors therein. TIAA is a financial institution with many different affiliates, businesses and activities, at least some of which may conflict with the interests of Fund Clients (including the Stonepeak Funds) and investors therein. TIAA and the TIAA Advisor Investor and their respective affiliates may serve as investment advisers or investment managers to other client accounts and conduct investment activities for their own accounts and may give advice or take action with respect to such other clients or accounts that differs from advice given or actions taken by the Adviser, SAH, the Stonepeak Advisors, the Stonepeak GPs, Stonepeak GP Holdings or Stonepeak Partners GP with respect to Fund Clients (including the Stonepeak Funds). TIAA and the TIAA Advisor Investor and their respective affiliates may have a greater financial interest with respect to such other clients or accounts than with respect to Fund Clients (including the Stonepeak Funds). TIAA and the TIAA Advisor Investor and their respective affiliates may compete with Fund Clients (including the Stonepeak Funds) for certain investment opportunities and Stonepeak staff time. Furthermore, there can be no assurance that TIAA, the TIAA Advisor Investor or the TIAA Advisor Investor or any of their respective affiliates will hold or continue to hold any interest in SAH, Stonepeak GP Holdings or any of the Fund Clients (including the Stonepeak Funds), as applicable, and each may dispose, transfer or sell any of such interests in accordance with the terms of the applicable governing documents.

The TIAA Advisor Investor's representatives on the Fund I Investment Committee and the Steering Committee are not required to devote any specific amount of time thereto and have no fiduciary duties to the Stonepeak Funds or their investors (except as may be required by applicable law). Accordingly, the TIAA Advisor Investor is entitled to consider its own interests with respect to its rights concerning SAH and Stonepeak GP Holdings and not the interests of the Fund Clients or investors therein. Furthermore, as a result of the TIAA Advisor Investor's right to receive distributions from SAH and Stonepeak GP Holdings, the TIAA Advisor Investor, as a limited partner of certain of the Stonepeak Funds, may have interests that are not aligned with interests of other investors in the Stonepeak Funds (including, without limitation, with respect to certain voting matters concerning Stonepeak Advisors I, SAH, Stonepeak GP I, Stonepeak GP II and Stonepeak GP III and Stonepeak GP Holdings).

Each investor in the Stonepeak Funds is required to acknowledge and agree that conflicts of interest may arise related to the fact that the TIAA Advisor Investor has a direct or indirect interest in Stonepeak GP I, Stonepeak GP II, Stonepeak GP III, Stonepeak GP Holdings, SAH and Stonepeak Advisors I and one or more representatives on the Fund I Investment Committee.

Financing Arrangement with Landmark

In addition, as more fully described in Item 4 – “Advisory Business,” the SIH SPV is entitled to receive repayment proceeds representing a portion of the management fees and carried interest in respect of certain Fund Clients. The SIH SPV may also seed investments in future Fund Clients and make stand-alone investments not in or alongside any Fund Client, in each case subject to the terms and conditions of the governing documents of the Fund Clients and the SIH SPV and Stonepeak’s investment allocation policy. See Item 6 – “Performance-Based Fees and Side-by-Side Management.” Accordingly, the Adviser may have an incentive to provide more favorable terms to the SIH SPV than to other investors, provide the SIH SPV with individual company co-investment opportunities and/or manage the Fund Clients’ investments in a manner beneficial to Landmark as a result of its indirect ownership in the Adviser and the overall SIH SPV financing arrangement.

Brokerage Services.

As described above, each of the Senior Executives is a registered representative of MCP, which is registered with the SEC as a broker-dealer and is a member of FINRA. MCP is not an affiliate of the Adviser. In certain limited circumstances involving the receipt of fees of the type described herein, such activities will be carried out by the Senior Executives as registered representatives of MCP and fees payable will be paid in the first instance to MCP. Any net fees received by MCP (including, for the avoidance of doubt, the Senior Executives) in such circumstances will, for purposes of the management fee offset provisions under the applicable LP Agreements, be considered to have been received by the Adviser notwithstanding that payment will be made to the Senior Executives. It is not expected that the Senior Executives will engage in any activities in their capacities as registered representatives of MCP other than activities on behalf of, or in connection with, Fund Clients (or co-investors) and/or portfolio companies thereof. The Senior Executives will provide broker-dealer services through MCP to Fund Client (or co-investor) portfolio companies only if such use is consistent with the Adviser’s fiduciary duties. The relationship the Adviser has with MCP could give rise to a conflict of interest between the Adviser and a Fund Client that has an interest in any portfolio company with respect to which MCP provides services. In particular, the Adviser could have an incentive to seek to influence the decision by a portfolio company’s management to retain MCP, or to otherwise transact with MCP, instead of other unaffiliated broker-dealers or other service providers or counterparties that could be more appropriate or offer better terms. The Adviser could also have an incentive to structure portfolio company transactions, including related co-investment opportunities, so that they require the use of a broker-dealer (and consequently provide an opportunity for MCP to be retained by a portfolio company or acquisition). The Adviser generally will evaluate any such transactions on a case-by-case basis to address any such conflicts. Transactions involving a Fund Client (or co-investor) portfolio company and MCP are also reviewed with regard to the appropriateness of the transaction and any fiduciary obligations. MCP may have access to confidential and/or material non-public information regarding a Fund Client or its portfolio companies and, subject to applicable law, may use such information in connection with services provided by MCP.

Other Activities and Relationships

The partners or employees of the Adviser, SAH and the Stonepeak Advisors and their respective affiliates serve on the boards of directors of portfolio companies in which their clients invest. Serving in such capacity could give rise to conflicts to the extent that an employee’s fiduciary duties to a portfolio company as a

director conflicts with the interest of the private equity fund client. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that would be in the best interest of the portfolio company may not be in the best interests of the Fund Clients and *vice versa*. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an officer or employee of Stonepeak and such individual's duties as a director of the portfolio company. Conflicts can also arise in cases where a Fund Client makes an investment in a different class of securities relative to any other Fund Client that has an interest in the same portfolio company.

Additional Potential Conflicts.

The officers, directors, members, managers, and employees of the Adviser, SAH and Stonepeak Advisors can trade in securities for their own accounts, subject to restrictions and reporting requirements as required by law or otherwise determined from time to time by the Adviser, SAH and Stonepeak Advisors. To the extent officers, directors, members, managers, and employees of the Adviser, SAH, and Stonepeak Advisors invest in the same securities as a Fund Client, such transactions introduce a potential conflict of interest between the interests of such Fund Client and the interests of Stonepeak or its related persons. For example, a potential conflict of interest could arise in that the interested related person could benefit from such a purchase or sale of the applicable securities by such Fund Client.

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

Stonepeak has developed and approved a code of ethics (the “Code of Conduct”) that sets forth standards of ethical conduct for partners and employees and is designed to address and avoid potential conflicts as required under Rule 204A-1 of the Advisers Act. Among other things, the Code of Conduct prescribes standards for dealing with clients/investors ethically, addresses conflicts of interest issues between the Adviser and its clients, and supplements personal trading and operating procedures.

Stonepeak’s Code of Conduct includes:

- Standards of business conduct required of our supervised persons, which standards reflect our fiduciary obligations and those of our supervised persons;
- Provisions requiring our supervised persons to comply with applicable securities laws;
- Provisions that require all of our “access persons” as that term is defined by the SEC in Rule 204A-1, to report, and the Adviser’s Chief Compliance Officer to periodically review, their personal securities transactions and holdings;
- Provisions requiring supervised persons to report any violation of the Code of Conduct to our Chief Compliance Officer;
- Provisions requiring us to provide each of our supervised persons with a copy of the Code of Conduct and any amendments, and requiring all supervised persons to provide us with a written acknowledgement of their receipt thereof and an annual certification of compliance;
- Provisions to ensure compliance with “pay to play” prohibitions. The senior managing directors have agreed that neither the Adviser nor the individual senior managing directors will make political donations while serving in any capacity with the Stonepeak and staff have been encouraged to follow a similar approach; and
- Provisions requiring access persons to obtain approval before directly or indirectly acquiring beneficial ownership in any security in an initial public offering or private placement.

Stonepeak’s Code of Conduct also applies to SAH, the Stonepeak Advisors, and the various GP affiliates, *mutatis mutandis*. A copy of Stonepeak’s Code of Conduct will be provided to investors and prospective investors upon request.

Possession of Material, Non-Public Information and Other Trading Restrictions. By reason of their responsibilities in connection with other activities of Stonepeak, certain Stonepeak investment professionals may acquire confidential or material, non-public information concerning an entity in which Fund Clients have invested, or propose to invest, and the possession of such information may limit the ability of the Adviser to buy or sell particular securities of such entity on behalf of Fund Clients, thereby limiting the investment opportunities or exit strategies available to the Fund Clients. In addition, holdings in the securities of an issuer by Stonepeak or its affiliates may affect the ability of Fund Clients to make certain acquisitions of or enter into certain transactions with such issuer. Furthermore, Stonepeak has established policies and procedures to prevent the abuse of material non-public information which includes procedures for, among other things, the use and maintenance of restricted trading lists and restrictions on trading on material, non-public information, either personally or on behalf of clients.

Conflicts of Interest. Fund Clients and their investors should be aware that there will be occasions when the Adviser, SAH and Stonepeak Advisors and their respective affiliates will encounter potential conflicts

of interest in connection with a Fund Client's activities, including certain conflicts of interest relating to the relationship between Stonepeak, on the one hand, and TIAA Advisor Investor and/or the SIH SPV, on the other hand. The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated by Fund Clients and their investors.

- **Allocation of Investments.** To the extent an investment opportunity is appropriate for more than one Fund Client and/or the SIH SPV, such investment opportunities will be allocated between such Fund Clients and/or the SIH SPV by the Stonepeak GPs on a basis that they believe in good faith to be fair and reasonable, taking into account, as applicable, the sourcing of the transaction, the nature of the investment focus of each such other vehicle, the relative amounts of capital available for investment, the terms of such Fund Clients' and/or the SIH SPV's governance agreements and such other vehicle and legal, tax, regulatory, accounting and other similar considerations deemed relevant by the Stonepeak GPs in good faith. Furthermore, with respect to the Stonepeak private equity funds, the Stonepeak GPs or their affiliates will not close on any Similar Fund until at least 75% of the capital commitments have been invested, committed or reserved in investments, or until the end of the investment period. Any Similar Fund closed on or prior to the expiration of the investment period will invest in investments alongside the Stonepeak Funds until the expiration of the investment period on the same terms and conditions in all material respects, with amounts for investment allocated between the Stonepeak Funds and the Similar Fund on a basis that the Stonepeak GPs believe in good faith to be fair and reasonable, unless (i) the advisory committee of the applicable Fund Client consents, (ii) the investment by the applicable Fund Client is legally or contractually prohibited or (iii) as a result of the application of any law, regulation or governmental order, the investment could have a material adverse effect on the applicable Fund client, the Stonepeak GPs or any of their affiliates. In addition, there is some overlap in the investment types permitted by Stonepeak Credit Fund I and the other Fund Clients. In the event that the investment committee of more than one Fund Client approves a potential investment, Stonepeak will allocate the investment opportunity in accordance with its allocation policy and procedures. While it is generally anticipated that Stonepeak Credit Fund I will have a first-look presumption for debt investments Stonepeak retains discretion to allocate debt investments to another Fund Client if it determines that such allocation is fair and reasonable in accordance with its allocation policy. See "Item 6 – Performance-Based Fees and Side-by-Side Management" for more information.
- **Performance Allocation.** The existence of the Stonepeak GPs' Carry in certain of the Stonepeak Funds creates an incentive for the Adviser, SAH and Stonepeak Advisors to propose, or the Stonepeak GPs to make, more speculative investments on behalf of those Fund Clients than it would otherwise make in the absence of such performance-based compensation. In addition, if an investment is suitable for a Stonepeak Fund that generates Carry and a Stonepeak Fund that does not, then the Stonepeak GPs have an incentive to allocate such investment to the Stonepeak Fund that generates Carry. The Adviser's policies prohibit the allocation of investment opportunities based solely on anticipated compensation or profits to the Adviser or any of its affiliates or professionals, and require the review and approval of the relevant investment committees (comprising senior Stonepeak personnel) for allocations of opportunities that may be appropriate for multiple Fund Clients. See "Item 6 – Performance-Based Fees and Side-by-Side Management" for more information.
- **Other Fees.** Stonepeak, SAH, Stonepeak Advisors regularly receive (or, in the case of the SIH SPV, may receive) (i) acquisition fees for investments, (ii) fees for asset management Services, and (iii) fees for advisory and/or transaction services provided to companies in which the Fund Clients have an interest. Additionally, Stonepeak, SAH, Stonepeak Advisors regularly receive (or, in the case of the SIH SPV, may receive) fees relating to the Fund Clients' investments or from unconsummated transactions (i.e., break-up and topping fees, director fees and organization, financing, divestment, and other similar fees). In certain limited circumstances, such activities will

be carried out by the Senior Executives as registered representatives of MCP and fees payable by the Fund Clients' portfolio companies or co-investors will be paid in the first instance to MCP. Fund Clients and their limited partners will not receive the benefit of any fees relating to the Fund Clients' investments or paid by portfolio companies except to the extent they are offset by reduced management fees. For greater certainty, Stonepeak, SAH and Stonepeak Advisors engages and retains strategic advisors, consultants, and other similar professionals who are not employees or affiliates of Stonepeak, SAH and Stonepeak Advisors and who will, from time to time, receive payments from, or allocations with respect to, portfolio companies.

- **Side Letter Agreements.** Stonepeak has entered into side letter agreements with certain investors that provide such investors with additional or differential rights, including but not limited to excuse rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to such investments), information rights, waiver of certain confidentiality obligations and withdrawal or transfer rights.
- **Portfolio Company Relationships.** The Fund Clients' portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other investment funds managed by Stonepeak, SAH and Stonepeak Advisors or other Stonepeak affiliates that, although Stonepeak determines to be consistent with the requirements of such Fund Clients' governing agreements, might not have otherwise been entered into but for the affiliation with Stonepeak, SAH and Stonepeak Advisors, and which may involve fees and/or servicing payments to Stonepeak-affiliated entities which are not subject to the management fee offset provisions. For example, Stonepeak, SAH and Stonepeak Advisors may cause portfolio companies to enter into agreements regarding group procurement (such as the Group Purchasing Organization), benefits management, and other similar operational initiatives that may result in commissions or similar payments, including related to a portion of the savings achieved by the portfolio company.
- **Portfolio Company Service Providers and Vendors.** Each Fund Client and its portfolio companies may engage portfolio companies of such Fund Client and other Fund Clients and/or the SIH SPV to provide some or all of the following services: (a) corporate support services (including, without limitation, accounting/audit, account management, corporate secretarial services, data management, directorship services, finance/budget, human resources, information technology, judicial processes, legal, operational coordination (i.e., coordination with JV partners, property managers), risk management, tax and treasury); (b) loan management (including, without limitation, monitoring, restructuring and work-out of performing, sub-performing and nonperforming loans, administrative services, and cash management); (c) management services (i.e., management by a portfolio company, Stonepeak affiliate or third party (e.g., a third party manager) of operational services); (d) operational services (i.e., general management of day to day operations, including, without limitation, construction management, leasing services, project management and property management); and (e) transaction support services (including, without limitation, managing relationships with brokers and other potential sources of investments, identifying potential investments, coordinating with investors, assembling relevant information, conducting financial and market analyses, coordinating closing/post-closing procedures for acquisitions, dispositions and other transactions, coordination of design and development works, overseeing brokers, lawyers, accountants and other advisors, assistance with due diligence, preparation of project feasibilities, site visits, and specification of technical analysis and review of (i) design and structural work, (ii) architectural, façade and external finishes, (iii) certifications, (iv) operations and maintenance manuals and (v) statutory documents). Some of the services performed by portfolio company service providers could also be performed by Stonepeak from time to time and vice versa. Fees paid by a Fund Client or its portfolio companies to other portfolio

company service providers (if any) do not offset or reduce the management fee payable by the limited partners of any Fund Client and are not otherwise shared with the Fund Clients.

- **Common Service Providers.** The Adviser and the Stonepeak Funds may engage other common service providers. In such circumstances, there will be a conflict of interest between the Adviser and the Stonepeak Funds in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Stonepeak Funds.
- **Co-Investments.** Stonepeak regularly offers investors and other third parties the opportunity to co-invest in particular investments alongside the Fund Clients. Subject to the terms of the governing documents of the Stonepeak Funds and Stonepeak's allocation policy, co-investment opportunities offered to investors will be allocated as determined by the Stonepeak GPs in their discretion, and there is no guarantee for any investor that it will be offered co-investment opportunities. As a general matter, the Stonepeak GPs, in determining the allocation of co-investment opportunities, generally expect to take into account various facts and circumstances deemed relevant by the Stonepeak GPs, including among others, whether a potential co-investor has expressed interest in evaluating co-investment opportunities, whether a potential co-investor has a history of participating in co-investment opportunities with Stonepeak, the size of the potential co-investor's interest to be held in the underlying portfolio company as a result of the applicable Fund Client's investment (which is likely to be based on the size of the potential investor's capital commitment and/or investment in the applicable Fund Client), whether the potential co-investor has demonstrated a long-term or continuing commitment to the potential success of Stonepeak, the applicable Fund Client, or other co-investment and/or other Fund Clients, and such other factors that Stonepeak deems relevant under the circumstances. The terms and conditions of any co-investment opportunities will generally be negotiated by the Stonepeak GPs and the potential co-investor on a case-by-case basis. The allocation of co-investment opportunities may involve a benefit to Stonepeak including, without limitation, fees or carried interest from the co-investment opportunity, and capital commitments to the Fund Clients, and such co-investment fees could create an incentive for the Stonepeak GPs to pursue an investment and structure the terms of the Fund Clients' investment differently than it otherwise would in the absence of such co-investment fees. Co-investment fees realized by Stonepeak and the costs that the co-investor bears, including the extent to which a co-investor would share in any broken-deal costs, are negotiated by Stonepeak on a case-by-case basis. This typically results in the Fund Clients bearing all such broken-deal costs.
- **Overlapping Investments.** One or more Fund Clients, including Stonepeak Credit Fund I, will invest in debt securities and other obligations relating to investments of other Fund Clients, including portfolio companies in which such other Fund Clients make or have an investment. Conflicts of interest will likely arise between or among the Fund Clients in connection with such debt securities and other obligations. For example, if a Fund Client makes or has an equity investment in a portfolio company in which another Fund Client has an investment, or if one Fund Client, through the purchase of debt obligations or otherwise, becomes a lender to a portfolio company in which another Fund Client has a debt or equity investment, or if two or more Fund Clients, participate in separate tranches of a fundraising with respect to a portfolio company, Stonepeak will generally have conflicting loyalties between its duties to the Fund Clients. In that regard, actions may be taken for the benefit of a Fund Client that are adverse to another Fund Client and vice versa. In addition, subject to the terms of the applicable governing documents, which shall control, in connection with such shared investments, Stonepeak will generally seek to implement certain procedures to mitigate conflicts of interest which typically involve (i) a forbearance of

rights, including certain non-economic rights, relating to a Fund Client, such as where Stonepeak causes a Fund Client to decline to exercise certain control-and/or foreclosure-related rights with respect to a portfolio company (including following the vote of other third party lenders generally (or otherwise recusing itself with respect to decisions), and/or (ii) the applicable general partner may cause a Fund Client to recuse itself from participating in any decisions related to equity or debt securities and/or other obligations held by such Fund Client, including in each case with respect to actions and/or decisions with respect to defaults, foreclosures, workouts, restructurings, and/or exit opportunities), subject to certain limitations. There can be no assurance that any such conflict will be resolved in favor of a Fund Client and Stonepeak may be required to take action where it will have conflicting loyalties between its duties to the Fund Clients which may adversely impact a Fund Client. In addition, Stonepeak may structure an investment to permit another fund focused on credit investments to participate in one or more debt tranches of the capital structure of a portfolio company of a buyout fund (either together with, or separate from, participation alongside the portfolio investment made by the buyout fund). Stonepeak may face conflicts of interests arising from the different interests held by different Fund Clients in the underlying portfolio company (e.g., with respect to the terms of high yield securities or other debt or other instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). It is possible that in a bankruptcy proceeding one Fund Client's interests may be adversely affected by virtue of the involvement and actions of another Fund Client relating to its investment.

- **Subscription Facility and Capital Calls.** A general partner may fund the making of investments with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of investors) prior to calling commitments. The interest expense and other costs of any such borrowings will be expenses of the applicable Fund Client and, accordingly, decrease net returns of such Fund Client. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made. In light of the foregoing, the general partners have an incentive to cause Fund Clients to borrow in this manner in lieu of drawing down commitments. As a general matter, use of leverage in lieu of drawing down commitments amplifies returns (either negative or positive) to limited partners.
- **Transactions with Potential and Actual Investors and Co-Investors.** Prospective investors should note that Stonepeak and its affiliates from time to time engage in transactions with prospective and actual investors and co-investors that entail business benefits to such investors. Such transactions may be entered into prior to, or coincident with, an investor's admission to a Fund Client (or commitment to co-invest) or during the term of such investor's investment. The nature of such transactions can be diverse and may include benefits relating to the Fund Client and its portfolio companies. Examples include the ability to co-invest alongside the Fund Client and/or its affiliates, sales of companies to investors and recommendations to underwriters for allocations in initial public offerings or loans to co-investors (or joint venture partners) by Stonepeak.
- **Time and Attention of the Stonepeak Investment Professionals.** The Stonepeak investment professionals will devote such time and attention to the conduct of a Fund Client's business as such business will reasonably require. However, there can be no assurance, for example, that such investment professionals will devote any minimum number of hours each week to the affairs of the Fund Client or that they will continue to be employed by Stonepeak. In the event that such investment professionals cease to be actively involved with the Fund Client, investors in the Fund Client will be required to rely on the ability of Stonepeak to identify and retain other investment professionals to conduct the Fund Client's business.

- Personnel.** Stonepeak may hire short-term or long-term personnel (or interns or consultants) who are relatives of or are otherwise associated with an investor, portfolio company or a service provider. Although reasonable efforts are made to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee that Stonepeak can control for all such potential conflicts of interest, and there may continue to be an ongoing appearance of a conflict of interest. For example, certain employees and other professionals of Stonepeak have family members or relatives that are actively involved in the private equity industry and/or have business, personal, financial or other relationships with companies in the private equity industry (including the investment banks, advisors and service providers described above), which gives rise to potential or actual conflicts of interest. For example, such persons might be employees, officers, directors or owners of companies or assets which are actual or potential investments of a Fund Client or other counterparties of the Fund Client and its portfolio companies and/or assets. Moreover, in certain instances, the Fund Client or its portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. In most such circumstances, the applicable Fund Client's governance agreement will not preclude the Fund Client from undertaking any particular investment activity and/or transaction. To the extent Stonepeak determines appropriate, conflict mitigation strategies will be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the applicable general partner.
- Diverse Investor Base.** The investors in the Fund Clients include taxable and tax-exempt entities and include persons or entities organized in multiple jurisdictions. The various types of investors may have conflicting investment, tax and other interests with respect to their investment in the Fund Clients. When considering a potential investment, the general partner of a Fund Client will generally consider the investment objectives of the Fund Client, as a whole, not the investment objectives of any investor, fund vehicle or parallel fund individually. Consequently, the general partner of a Fund Client will make decisions from time to time that could be more beneficial to one type of investor or fund vehicle than another.
- Valuation Matters:** The fair value of all investments or of property received in exchange for any investments will be determined by Stonepeak in accordance with Stonepeak's valuation policies and procedures pursuant to the applicable Fund Client's governance agreement. Accordingly, the carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation of investments will affect the amount and timing of the applicable general partner's carried interest and, under certain circumstances, the amount of management fees payable by the applicable Fund Client. Valuations are subject to determinations, judgments and opinions and other third parties or investors may disagree with such valuations. The valuation of investments may also affect the ability of Stonepeak to raise a successor fund to a Fund Client. As a result, there are likely to be circumstances where Stonepeak is incentivized to determine valuations that are higher than the actual fair value of investments.
- Insurance:** Stonepeak will cause a Fund Client to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for, insurance to insure the Fund Client, the applicable general partner, the applicable advisor, Stonepeak and/or their respective directors, officers, employees, agents, representatives, members of the advisory committee of such Fund Client (if any) and other indemnified parties, against liability in connection with the activities of the Fund Client. This includes a portion of any premiums, fees, costs and expenses for one or more "umbrella" or other insurance policies maintained by Stonepeak that cover the Fund Client

and any other Stonepeak Funds, the applicable general partner, the applicable advisor and/or Stonepeak (including their respective directors, officers, employees, agents, representatives, members of the advisory committee of such Stonepeak Fund and other indemnified parties). Stonepeak will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among the Fund Client, other Stonepeak Funds, the applicable general partner, the applicable advisor and/or Stonepeak on a fair and reasonable basis, in its sole discretion, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in the Fund Client bearing less (or more) premiums, fees, costs and expenses for insurance policies.

For additional information regarding the foregoing or the risks and conflicts with respect to any Stonepeak fund or investment vehicle sponsored by Stonepeak, please see the Confidential Private Placement Memorandum, if applicable, or subscription documents of the applicable Stonepeak fund or investment vehicle.

Item 12 - Brokerage Practices

The Adviser has discretion to select brokers and dealers to execute securities transactions for its Fund Clients. The Adviser seeks to obtain the best prices and executions for orders executed for its Fund Clients, taking into account quantitative and qualitative factors affecting execution quality of portfolio transactions. The Adviser evaluates relationships with investment banks periodically and may make mandate decisions based on the value of the relationship to the Adviser’s Fund Clients, including but not limited to referrals for unique investment ideas, deep sector relationships, or other factors.

The Adviser may use broker-dealers to sell a portfolio company, place financing at a portfolio company, or in limited circumstances, to support the acquisition of a portfolio company. In no event does the Adviser refer Fund Client investors to such broker-dealers. The Adviser believes that it will pay customary market fees for services received and does not otherwise make its selection in order to obtain soft dollar benefits. The Adviser meets numerous broker-dealers who present investment ideas or otherwise offer to make introductions to parties that have assets that may be of interest for a Fund Client. If the Adviser were to use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Adviser would receive a benefit because it would not have to produce or pay for the research, products or services received from the broker-dealer. Although the Adviser may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its Fund Clients’ interest in receiving most favorable execution, any decision to otherwise engage the broker dealer in support of executing a possible acquisition will first and foremost take into account the advantage of using such broker-dealer in consummating a transaction that the Adviser believes to be in the best interest of the Fund Clients at compensation levels the Adviser believes to be at reasonable market rates.

Item 13 - Review of Accounts

Oversight and Monitoring

The Adviser's Fund Client accounts, investment plans and portfolio investments are reviewed regularly (at least monthly) by the Adviser's investment professionals. In addition, the Adviser's investment professionals meet in person with portfolio company management at least quarterly. These professionals monitor operations, overall performance, financial performance, and strategic direction of portfolio companies invested in by each Fund Client.

Reports to Clients

Fund Clients receive quarterly reports on the financial performance of their investments and audited annual reports. Fund Clients and their investors have the ability to access these reports, performance and valuation data concerning portfolio companies, receive capital call and other Fund information via a password-protected website.

The Adviser creates tailored reports to meet the needs of the individual Fund Clients. Each quarter, its Fund Clients (and their investors) will receive a written report that include both qualitative and quantitative review of their investment portfolios including performance data, portfolio construction, material developments, and information that, in the judgment of the general partner of each Fund Client and the Adviser, is appropriate.

Item 14 - Client Referrals and Other Compensation

As described in Item 5 (Fees and Compensation) and in Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading), in addition to management fees payable and carried interests allocable to the Adviser and its affiliates, the Adviser regularly receives acquisition, ongoing advisory and transaction fees in connection with investment by its private equity fund clients. In certain limited circumstances, such activities will be carried out by the Senior Executives as registered representatives of MCP and fees payable by the Fund Clients' portfolio companies or co-investors will be paid in the first instance to MCP.

From time to time, the Adviser's Fund Clients will engage third parties to solicit investors. Fees payable to such third parties will be borne by the applicable Fund Client and will reduce management fees to the Adviser for those investors subject to the placement arrangement.

Item 15 - Custody

The Adviser complies with Rule 206(4)-2 under the Advisers Act by engaging a third party qualified custodian to maintain the funds and securities of the Fund Clients except for certain privately offered securities as defined under Rule 206(4)-2 and having an independent public accountant perform an annual audit of its Fund Clients and distributing the audited financial statements to the Adviser's Fund Clients and their investors within 120 days of the end of their fiscal years.

Item 16 - Investment Discretion

The Adviser, through its ownership of and/or affiliation with the Relying Advisers, assumes discretionary authority to manage securities accounts on behalf of Fund Clients. However, (i) with respect to Stonepeak Fund I, the consent of the Fund I Investment Committee, (ii) with respect to Stonepeak Fund II, the consent of the Fund II Investment Committee, (iii) with respect to Stonepeak Fund III, the consent of the Fund III Investment Committee and (iv) with respect to Stonepeak Credit Fund I, the consent of the Credit Fund I Investment Committee, will be required for all major investment decisions. Decisions of the Fund I Investment Committee shall similarly bind all actions of SAH (and accordingly, Stonepeak Advisors I) to the same extent as they bind Stonepeak GP I and Stonepeak GP Holdings I. Decisions of the Fund II Investment Committee shall similarly bind all actions of Stonepeak Advisors II to the same extent as they bind Stonepeak GP II and Stonepeak GP Holdings II. Decisions of the Fund III Investment Committee shall similarly bind all actions of Stonepeak Advisors III to the same extent as they bind Stonepeak GP III and Stonepeak GP Holdings III. Decisions of the Credit Fund I Investment Committee shall similarly bind all actions of Stonepeak Credit Advisors I to the same extent as they bind Stonepeak Credit GP I. See “Item 4 – Advisory Business” for more information.

Item 17 - Voting Client Securities

From time to time, the Adviser's clients will hold public company securities, and the Adviser will apply policies reasonably designed to comply with the requirements of the Advisers Act. The Adviser will vote proxies in a manner that serves the best interest of the Fund Clients, as determined by the general partner of the relevant Fund Client in its sole discretion, taking into account relevant factors, including (i) the impact on the value of the securities owned by the Fund Client and the returns on those securities; (ii) alignment of the portfolio company management's interest with the Fund Client's interest, including establishing appropriate incentives for management; (iii) the ongoing relationship between the Fund Client and the portfolio companies in which it invests, including the continued or increase availability of portfolio information, and (iv) industry business and practices. Possible conflicts are expected to be disclosed and discussed by the relevant Fund Client's Advisory Committee.

Fund Clients and their investors can obtain upon request a copy of proxy voting policies and procedures and information regarding how their securities were voted in the past.

Item 18 - Financial Information

Stonepeak is not aware of any financial condition that could impair Stonepeak's ability to meet its contractual or fiduciary obligations to its Fund Clients. Stonepeak has not been the subject of a bankruptcy proceeding since its inception.

Item 19 - Requirements for State-Registered Advisers

Not Applicable