



**Form ADV Part 2A - Brochure**

**ThomasLloyd Global Asset Management (Americas) LLC**

**March 28, 2019**

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This brochure provides information about the qualifications and business practices of ThomasLloyd Global Asset Management (Americas) LLC (the "Adviser"). If you have any questions about the contents of this brochure, please contact us at (914) 495-3630. This information has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

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

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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**Item 2.      Material Changes**

This item is not applicable.

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#### **Item 4. Advisory Business**

The Adviser is an investment adviser with its place of business in New York, NY. The principal owner of the Adviser is T.U. Michael Sieg, the Founder and Chief Executive Officer of the ThomasLloyd Group, of which the Adviser is a member. The Adviser commenced operations as an investment adviser on September 15, 2018 and has been registered with the SEC since September 13, 2018.

The Adviser provides investment advisory services on a discretionary basis to one or more pooled investment vehicles (each, a “client”, and collectively, the “clients”). The Adviser provides advice to client accounts based on specific investment objectives and strategies. Except as disclosed in offering documentation of clients, the Adviser does not intend to tailor advisory services to the individual needs of clients and clients may not impose restrictions on investing in certain securities or types of securities.

As of December 31, 2018, the Adviser had approximately \$379,631,628 client assets under management. As of that date, the Adviser managed \$379,631,628 on a discretionary basis and \$0 on a non-discretionary basis.

#### **Item 5. Fees and Compensation**

The Adviser will be paid an asset-based investment management fee of up to 2% per annum based on the net value of the assets attributable to the client. Investment management fees are charged each month in arrears and pro-rated for subscriptions and redemptions during a month.

The Adviser will be paid performance-based compensation, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a client account. This compensation ranges from 15% to 50% per annum.

In addition to asset-based compensation and performance-based compensation, the Adviser will be paid a fixed fee by certain clients for ongoing risk monitoring and management services.

These fees are negotiable.

In addition to paying investment management fees and performance-based fees or other compensation, client accounts will also be subject to other investment expenses such as operating expenses, fees, costs and expenses of establishing, maintaining, operating, managing, protecting and winding-up any investment holding entity, usual brokerage and other transaction fees and expenses charged by third parties, costs and expenses relating to accounting, due diligence, legal, and other service providers, reporting and publishing expenses, the cost of convening general meetings of shareholders, the reasonable costs and expenses of the investment committee, the reasonable travel, accommodation, telephone and other out-of-pocket expenses incurred by the Adviser, expenses incurred in calculating the net asset value and valuating the assets of the clients, the costs of preparing, printing and distributing all valuations, statements, accounts and performance and investment reports, the costs of amending and supplementing the agreements and documents relating to the client accounts, costs incurred to enable the clients to comply with legislation and official requirements, all other taxes and all fees or other charges levied by any governmental agency against the clients in connection with their investments or otherwise, any irrecoverable value-added tax (or similar levy or duty) relating to any such costs and expenses and all other costs and expenses in connection with the operations or administration of the client accounts and the portfolios incurred to procure the achievement of the investment objectives and policies.

The allocation of expenses by the Adviser between it and any client and among clients represents a conflict of interest for the Adviser. The Adviser has adopted an expense allocation policy that is designed to address this conflict. The Adviser allocates expenses to each client in accordance with the client's arrangements with the Adviser (including applicable client disclosures). The Adviser seeks to allocate shared expenses for products and services benefitting the Adviser and the client and not covered in the client's arrangements in a fair and reasonable manner. The Adviser allocates common client expenses

among multiple clients pro rata based on gross assets under management. The Adviser may deviate from this standard allocation method if it determines that an expense disproportionately benefits a particular client or group of clients.

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

The Adviser will be paid performance-based compensation by the clients. Such performance-based compensation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements.

The Adviser will manage multiple client accounts. When the Adviser and its investment personnel manage more than one client, a potential exists for one client to be favored over another client. The Adviser and its investment personnel have a greater incentive to favor a client that pays the Adviser (and indirectly its investment personnel) higher fees. The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of clients, including clients with multiple fee arrangements, and the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that clients with substantially similar investment objectives are treated equitably. The performance of similarly managed clients is also compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities provide for eligible client accounts with the same or substantially similar investment mandates and strategies to participate in investment opportunities pro rata based on the relative value of the assets of each participating account to all participating accounts; provided, however that the Adviser may allocate investment opportunities to such accounts on a non-pro rata basis due to a consideration of factors including but not limited to the client's risk profile; the client's tax status; legal restrictions; size of client's account; total portfolio invested position; nature and liquidity of the security; size of the available position; supply or demand for a security at a given price; current market conditions; timing of cash flows and client account liquidity and any other information determined by the Adviser to be relevant to the fair allocation of investment opportunities. To the extent orders are aggregated, the client orders are price-averaged and allocated in accordance with the aggregated order; provided, that the aggregated order may be allocated on a different basis for reasons including but not limited to partially filled orders and to avoid odd lots or excessively small allocations. Finally, the Adviser's procedures also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair and equitable allocation among clients.

#### **Item 7. Types of Clients**

The Adviser's clients will consist of pooled investment vehicles.

Any initial and additional subscription minimums that apply to clients are disclosed in the client's offering memorandum.

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

The Adviser employs the following investment strategies:

Subject to the investment objectives, strategies and restrictions provided in each client's offering documents, the Adviser's investment strategy is to invest in infrastructure assets covering the underlying provision of basic services, facilities and institutions upon which the growth and development of a community depends, such as generation assets based on renewable energy sources, such as wind, solar, biomass, geothermal, hydro or marine ("Renewable Energy"), infrastructure assets that provide services consumed by the public (other than Renewable Energy), including power generation, transmission, distribution and storage, water and sewage (e.g. water distribution networks, sewage pipelines or associated treatment facilities) and waste ("Utilities"), public infrastructure assets for the transport of goods or passengers, for example toll roads or motorways, road maintenance and/or

widening, bridges, tunnels, ports, airports, locks or railways ("Transport"), infrastructure assets accommodating social services, such as schools and other education facilities, healthcare facilities and senior homes ("Social Infrastructure") and infrastructure assets that provide communication services to the public, including transmission, towers, cable networks, data centers or satellites ("Communication") and other assets providing social or economic benefits (the "Infrastructure Assets") with a socially and environmentally responsible investment approach that is geared towards sustainable business values, reducing investment risks through diversification across countries, sectors, technologies and investment styles. The Adviser will invest in a broad portfolio of Infrastructure Assets operated by listed or non-listed publicly or privately owned entities, which in turn own, either directly or indirectly, and develop or operate one or more Infrastructure Assets, including any assets associated with or ancillary to Infrastructure Assets (the "Infrastructure Companies") across Asia and Australasia in the areas of Renewable Energy, Utilities, Transport, Social Infrastructure, and Communication. It may invest in Infrastructure Assets in any type of development including Infrastructure Asset which are in an initial phase of its life cycle and which require significant capital expenditure for their construction and/or development prior to reaching their operational phase, Infrastructure Assets which are fully operational and require refurbishment or maintenance or in distressed or poorly performing Infrastructure Assets.

The above stated investment strategy involves risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

The following summary identifies the material risks related to the Adviser's significant investment strategies and should be carefully evaluated before making an investment with the Adviser; however, the following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks.

#### General Economic and Market Conditions

The success of the Adviser's investment activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates and economic uncertainty. These factors may affect the level and volatility of prices and liquidity of investments. Unexpected volatility or liquidity could impair the clients' profitability or result in them suffering losses.

#### Difficulty of Sourcing and Securing Suitable Investments

The activity of identifying, completing and realizing attractive investments has from time to time been highly competitive, and involves a degree of uncertainty. The Adviser will be competing for investment opportunities with other investment vehicles, as well as individuals, financial institutions and other institutional investors, who may have greater economic and personnel resources than the Adviser or better relationships with vendors, lenders and others. There is no assurance that the Adviser will be able to locate and complete investments or that it will be able to fully invest its available capital.

#### Lack of Diversity

Clients have no assurance as to the degree of diversification in investments, either by geographic region or asset type. In addition, in transactions where the Adviser intends to refinance all or a portion of the capital invested, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of the client having an unintended long term investment and/or reduced diversification.

#### Foreign Exchange / Currency Risk

The Adviser may invest in investments denominated in a wide range of currencies. The net asset value of a client as expressed in a particular currency may fluctuate in accordance with changes in the foreign exchange rate between relevant currencies. Clients may also be exposed to foreign exchange rate fluctuations with respect to the currencies in which investments are denominated. Clients may therefore

be exposed to foreign exchange/currency risk. It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure of clients.

#### Hedging Policy

In connection with the financing of certain investments, the Adviser may employ hedging techniques designed to protect against adverse movements in currency and/or interest rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. While the clients may benefit from the use of these hedging mechanisms, unanticipated changes in currency exchange or interest rates may result in a poorer overall performance for the clients than if they had not entered into such hedging transactions.

#### Investments with Third Parties

The Adviser may co-invest with third parties through partnerships, joint ventures or other entities. In such circumstances, the Adviser may have a non-controlling interest in certain investments. The risks inherent in connection with third party involvement in an investment include the possibility that a third party partner or investor may not be financially able to continue an investment or default on an investment resulting in a negative impact on the investment or may have economic or business interests or goals which are inconsistent with those of the Adviser or may be in a position to take action contrary to the Adviser's investment policy.

In addition, the Adviser may in certain circumstances be liable for the actions of its third party partners or co-investors. Investments made with third parties in joint ventures or other entities may involve carried interests and/or other fees payable to such third-party partners or co-investors.

#### Changes in Tax Law

Changes in applicable law or interpretations of such law may adversely affect the Adviser's ability efficiently to realize income or capital gains. To the extent possible, the Adviser will structure its investments and activities to minimize its tax liability; however, there can be no assurance that the Adviser will be able to eliminate its tax liability or reduce it to a specified level.

#### Impact of Governmental Regulation and Legislative Changes

Governmental authorities at all levels (including on a national and EU basis) are actively involved in the promulgation and enforcement of regulations relating to taxation, land use, zoning, planning restrictions, environmental protection and safety and other matters. The institution and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Adviser's investments.

Any legislation and its interpretation, and the legal and regulatory regimes which apply in relation to clients may change over time. Accounting practice may also change, which may affect, in particular, the manner in which the Client's investments are valued and/or the way in which income or capital gains are recognized and/or allocated by the Adviser.

There is also uncertainty about the future costs of energy and other resource costs, security of energy and resource supplies, and the rate and scope of increased governmental regulations and market response which may have the effect of smoothing or amplifying energy and resource price changes or responding to problems with availability or market liquidity.

#### Emerging Markets

Investment in emerging markets may involve, due to the economic and political development process which some of these countries are undergoing, a higher degree of risk which could adversely affect the value of the investments. Among other things, investment in emerging markets involves risks such as the

restriction on foreign investment, counterparty risk, higher market volatility and the illiquidity of the companies' assets depending on the market conditions in certain emerging markets. Moreover, companies may be subject to considerably less state supervision and less differentiated legislation. Their accounting and auditing do not always match the standards utilized in developed markets.

Investments in some emerging countries are also exposed to higher risks in respect of the possession and custody of securities. Ownership of companies is for the most part determined by registration in the books of the company or its registrar. Certificates evidencing the ownership of companies are frequently not held by an efficient central depository. As a result and due to lack of efficient regulation by government bodies, clients may lose the possession of or the registration of shares in companies through fraud, serious fault or negligence.

### Infrastructure Assets Generally

Infrastructure assets can involve risks which broadly stem from issues of geographic or market concentration, the financial instability of third-party sub-contractors and off-takers, government regulation, technical failings, supply, demand and price fluctuations, poor operational performance, project termination and the economic climate, including interest rate fluctuation. These risks may have a material adverse effect on the value of the infrastructure assets underlying the Adviser's investment strategy.

### Economic Risks

Infrastructure assets are vulnerable to adverse change in the economic conditions of the jurisdiction in which they are situated, as well as to global economic declines. Since projects in this sector tend to be of a long-term nature, projects which were conceived at a time when conditions were favorable may subsequently be adversely affected by changes in the financial markets, investor sentiment or a more general economic downturn.

### Environmental Risks

Infrastructure companies may be liable for breaches of environmental protection statutes, rules and regulations, or may become bound by environmental liabilities arising in the future in relation to any sites owned or used by such infrastructure companies. The potential liability includes payment of the costs of investigation, monitoring, removal and remediation, as well as fines for non-compliance with the relevant statute, rule or regulation. Compensation may also be payable if liability arises for personal injury, property damage or other private claims which may be brought. Often this liability arises regardless of the state of knowledge of the owner or operator of the property, and regardless of whether or not, for example, it caused the contamination. A liability of this nature may be detrimental to the value of the infrastructure asset.

### Construction and Operational Risks

The long-term profitability of the investments will depend on the efficient design, construction, operation and maintenance of underlying infrastructure assets. The construction and operation of such infrastructure assets is often outsourced to third-party contractors, and any potential design or construction defect and/or inefficient operations and maintenance by those external contractors and/or the excess of any subcontractors' liability caps may reduce returns. If the risks set out above occur, this could have a material adverse effect on the value of the infrastructure asset. Likewise, during the life of an infrastructure asset, components of the infrastructure asset or building will need to be replaced or undergo a major refurbishment. Any cost implication, not otherwise passed down to subcontractors, will generally be borne by the affected infrastructure company, may adversely affect its ability to service its senior debt, and consequently could affect the clients. Other operational risk is associated with the termination of project agreements. Contractual agreements for infrastructure projects frequently give the relevant counterparty and the infrastructure company rights of termination. Termination of the project agreements may significantly affect the borrower's ability to service its senior debt.



### Government/Sovereign Risks

The concessions for certain infrastructure assets are granted by government bodies and are subject to special risks, including the risk that the relevant government bodies will exercise sovereign rights and take actions contrary to the rights of the asset holders under the relevant concession agreement. There can be no assurance that the relevant government bodies will not legislate, impose regulations or taxes, change applicable laws, or act contrary to the law in a way that would materially and adversely affect the business of the asset.

### Regional or Geographic Risk

This risk arises where an infrastructure company's assets are not moveable. Should an event occur, which impairs the performance of an infrastructure company's assets in the geographic location where the infrastructure company operates those assets, the performance of the infrastructure company may be adversely affected.

### Deal Flow Risk

There may be a lack of investment opportunities offering financial returns in line with the investment objectives of the Adviser such that the Adviser fails to invest the subscription proceeds. This risk may principally appear as a result of a market rally for infrastructure stocks and/or of the competition from other infrastructure investment funds.

### Income of the Infrastructure Company Risk

The income earned by clients from an infrastructure company is made primarily of dividends, interest and capital gains which can vary widely over the short and long term. Notably, the infrastructure company's income may be affected adversely when prevailing short-term interest rates increase and the infrastructure company is utilizing floating rate leverage.

### Performance Risk

The long-term profitability of an infrastructure company is partly dependent on the timely construction without cost overruns and efficient operation and maintenance of its infrastructure assets. Should an infrastructure company fail to maintain and operate its assets efficiently, the infrastructure company's ability to maintain payments of dividends or interest to investors may be impaired. The destruction or loss of an infrastructure asset may have a major impact on the infrastructure company. Failure by the infrastructure company to carry adequate insurance or to operate the asset appropriately could lead to significant losses.

### Change in Law Risk

Infrastructure companies and infrastructure assets are generally subject to a highly regulated environment, particularly when they are of a strategic nature, have an impact on the environment, are accessible by the general public, have access to public subsidies or advantageous tax regimes, or are a virtual monopoly. Although infrastructure companies generally protect their assets against changes in applicable laws and regulations, particularly where such changes would be discriminatory, cash flows and investor returns may be materially affected by such changes.

### Tax in Underlying Jurisdictions

Clients may be subject to income or other tax in jurisdictions in which underlying investment vehicles are located and/or investments are made. Moreover, withholding tax or branch tax may be imposed on earnings of clients from investments in such jurisdictions. In addition, local tax incurred in such jurisdictions by the clients may not be creditable to or deductible in their respective jurisdictions.

### Strategic Asset Risk

Infrastructure companies may control significant strategic assets. Strategic assets are assets that have a national or regional profile, and may have monopolistic characteristics. The very nature of these assets could generate additional risk not common in other industry sectors. Given the national or regional profile and/or their irreplaceable nature, strategic assets may constitute a higher risk target for terrorist acts or political actions. Given the essential nature of the products or services provided by infrastructure companies, there is also a higher probability that the services provided by such infrastructure companies will be in constant demand. Should an infrastructure company fail to make such services available and is unable to rectify the poor performance within a reasonable amount of time, there is the risk that performance deductions are applied to the infrastructure company's revenue stream or that the underlying project contract is terminated, thereby heightening the risk of any potential loss for investors.

### Relief Events Risk

Relief events, such as interruptions due to poor weather, industrial actions, protestors and trespassers, et al., which prevent performance by the infrastructure company of its obligations at any time and in respect of which the infrastructure company bears the financial risk in terms of increased costs and reduced and/or postponed revenue (but for which it is given relief from termination for failure to provide the full service) may severely affect the returns on investments.

### Distribution Risk for Equity Investments

In selecting equity investments, the Adviser may consider the infrastructure company's history of making regular periodic distributions (e.g., dividends) to its equity holders. An issuer's history of paying distributions, however, does not guarantee that the issuer will continue to pay dividends in the future. The income distribution associated with equity investments is not guaranteed and will be subordinated to payment obligations of the issuer on its debt and other liabilities. Accordingly, in the event the issuer does not realize sufficient income in a particular period both to service its liabilities and to pay dividends on its equity securities, it may forgo paying dividends on its equity investments and may be subject to a technical event of default and/or a debt acceleration event. In addition, because issuers are not obliged to make periodic distributions to the holders of their equity investments, such distributions or dividends generally may be discontinued at the issuer's discretion. In addition, a component of distributions will represent capital gains. These may be subject not only to the issuer's underlying fundamentals but also to general market conditions.

### Documentation and Litigation Risk

Infrastructure assets are often governed by a complex series of legal documents and contracts. As a result, the risk of a dispute over interpretation or enforceability of the documentation may be higher than for other issuers and assets, including the risk of a dispute with the public authority with which a long term contract has been signed or acting as regulator of the infrastructure assets.

### Customer Risk

Infrastructure companies can have a narrow customer base. Should these customers or counterparties cease to need the services delivered by an infrastructure asset or fail to pay their contractual obligations to the infrastructure company, significant revenues could cease and not be replaceable. This would affect the profitability of the infrastructure company and the value of any securities or other instruments it has issued.

### Refinancing Risk

Infrastructure companies may require refinancing prior to the end of project's life in order to repay the project's obligations as they fall due. Where a project carries a requirement to refinance, there is a risk that such refinancing cannot be secured at the forecasted financing costs or at all. This could have an

impact on the timing and/or amounts of distributions or other payments in respect of the infrastructure company's equity. If refinancing cannot be secured at the forecasted financing costs, the distributions from those projects could be materially reduced. If refinancing cannot be secured at all for one or more of these projects, the relevant project could (subject to limited safeguards in the project documentation) default altogether.

#### Leverage Risk at the Infrastructure Company Level

Infrastructure companies are likely to utilize leverage for the financing of infrastructure assets. Leverage involves risks and special considerations for clients, including:

- the likelihood of greater volatility of value of the infrastructure companies;
- the risk that fluctuations in interest rates will result in fluctuations in the dividends paid to clients or will reduce the return to clients;
- the effect of leverage in a declining market, which is likely to cause a greater decline in the net asset value of the infrastructure companies (and therefore in the net asset value of clients) than if such infrastructure companies were not leveraged;
- the risk that a breach of covenants provides debtors and/or senior lenders with enforcement and early acceleration rights.

#### Restructuring Risk

If an infrastructure company requires restructuring due to a force majeure, terrorist attack or armed conflicts, relief event and/or other reasons, there is a risk that such restructuring may not be in clients' interest or may not be completed successfully. Any such failure could lead to increased risk and cost to clients and result in reduced returns or losses to clients.

#### Force Majeure Risk

Events of force majeure, such as social unrest, riots, conflicts, war, floods, earthquakes, lightning, thunderstorms, and typhoons may severely affect the returns on investments. While the construction and operation of infrastructure assets are generally governed by legal documents and contracts whereby the cash flow losses consequential to force majeure events are essentially allocated to counterparties such as insurers, contractors, operators and public authorities, there exists situations of force majeure where an infrastructure company may experience severe losses, if not bankruptcy. These situations could arise when force majeure risks are only partly allocated to third parties under the applicable contractual arrangements, failure of contractual counterparts to fulfil their obligations due to the situation of force majeure and, more generally, force majeure events which disrupt the economy and stability of a region or country by their magnitude and/or duration.

#### Terrorist Attacks or Armed Conflicts

Terrorist attacks may harm the Adviser's investments. There is no assurance that there will not be further terrorist attacks against the countries where infrastructure assets are located, or against the infrastructure assets themselves. These attacks or armed conflicts may directly impact the infrastructure assets underlying the Adviser's investments or the securities markets in general. Losses resulting from these types of events are uninsurable. More generally, any of these events could cause consumer confidence and spending to decrease or result in increased volatility in the financial markets and economy. Adverse economic conditions could harm the value of the infrastructure assets underlying the Adviser's investments or the securities markets in general which could harm the Adviser's financial performance and may result in increased volatility of the value of its investments. Additionally, such events could result in decreased revenues generated by the related assets and could result in increased defaults under the debt instruments held by clients.

## Environmental Risks

Infrastructure assets may be subject to numerous statutes, rules and regulations relating to environmental protection. Certain statutes, rules and regulations might require that investments address prior environmental contamination, including soil and groundwater contamination, which results from the spillage of fuel, hazardous materials or other pollutants. Under various environmental statutes, rules and regulations, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability, whether or not the owner or operator knew of or was responsible for the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury or property damage or similar claims by private parties. Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

Power companies are subject to numerous environmental laws and regulations in each country in which they operate. Some of the most onerous requirements regulate air emissions of pollutants such as sulfur dioxides, nitrogen oxides, and particulate matter. Emission standards for sulfur dioxides, nitrogen oxides, and particulate matter may be stringent and are likely to become more restrictive over the next several years. Generators may also face new requirements on their emissions of greenhouse gases, specifically including carbon dioxide. The uncertain and ever changing regulatory environment in which generators operate makes it likely both that generators will face increased operating costs in the years ahead and that the relative competitive position of various fuel types and generation technologies will change. Certain possible changes in the environmental laws and regulations applicable to generators could affect the performance of one or more of the Adviser's investments to an extent that would create a material adverse effect to clients.

Clients may be exposed to substantial risk of loss from environmental claims arising in respect of the infrastructure assets, and the loss may exceed the value of such investment. Furthermore, changes in environmental laws or in the environmental condition may create liabilities that did not exist at the time of acquisition of an asset and that could not have been foreseen. For example, new environmental regulations may create costly compliance procedures for infrastructure assets.

In addition, infrastructure assets can have a substantial environmental impact. As a result, community and environmental groups may protest about the development or operation of infrastructure assets, and these protests may induce government action to the detriment of the owner of the infrastructure assets. Ordinary operation or occurrence of an accident with respect to infrastructure assets could cause major environmental damage, which may result in significant financial distress to the particular asset. In addition, the costs of remediating, to the extent possible, the resulting environmental damage, and repairing relations with the affected community, could be significant.

## Distressed Securities

Investments in distressed companies are subject to greater risk of loss of principal and interest than higher-rated securities. Also, securities of distressed companies are generally more likely to become worthless than the securities of more financially stable companies. In addition, evaluating credit risk for foreign securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

## Cybersecurity Risk

The information and technology systems of the Adviser and of key service providers to the Adviser may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures designed to

manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for the Adviser to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

### Risk Management Failures

Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of the clients may be incomplete or altogether ineffective. Similarly, the Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to the clients.

### Systems and Operational Risk

The Adviser relies on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers, including custodians, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, the Adviser and client accounts could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the Adviser's or service provider's operations. In addition, despite certain measures established by the Adviser and third party service providers to safeguard information in these systems, the Adviser, the clients and their third party service providers are subject to risks associated with a breach in cybersecurity, which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.

### **Item 9. Disciplinary Information**

This item is not applicable.

### **Item 10. Other Financial Industry Activities and Affiliations**

Certain of the Adviser's supervised persons are registered representatives of ThomasLloyd Capital LLC, an affiliated broker-dealer that conducts investment banking activities. The Adviser does not execute any client trades through ThomasLloyd Capital LLC.

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

The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its supervised persons to put the interests of the Adviser's clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. All of the Adviser's personnel are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting the Chief Compliance Officer by telephone at 914-433-3376. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by related persons.

The Adviser has adopted the following procedures in its Code: The Adviser requires its supervised persons to preclear all transactions including but not limited to limited offerings and initial public offerings in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the

transaction if such transaction will have any adverse economic impact on one of its clients. In addition, the Adviser's Code prohibits the Adviser or its supervised persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser's supervised persons are required to disclose their securities transactions on a quarterly basis. In addition, the Adviser's supervised persons are required to disclose the holdings in their personal accounts upon commencement of employment with the Adviser and on an annual basis thereafter. The Adviser's supervised persons are required to provide broker account statements showing each transaction in which they engage and quarterly certification of such transactions. Trading in the personal accounts of the Adviser's supervised persons is reviewed by the Chief Compliance Officer and compared with transactions for client accounts and reviewed against the restricted securities list.

The Adviser, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the client or using such information for the client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Adviser and its supervised persons may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of the Adviser. The Adviser has adopted policies and procedures governing gifts and business entertainment, which includes disclosure of gifts and business entertainment in excess of certain de minimis thresholds and pre-clearance by the Chief Compliance Officer prior to giving/receiving gifts above a certain de minimis threshold.

## **Item 12. Brokerage Practices**

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors may include net price, reputation, financial strength and stability, efficiency of execution and error resolution, offering to the Adviser on-line access to computerized data regarding a client's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser periodically evaluates the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

The Adviser will from time to time purchase or sell the same security for multiple clients at or near the same time and using the same executing broker. It is the Adviser's practice, where possible, to aggregate client orders for the purchase or sale of the same security submitted at or near the same time for execution using the same executing broker. The Adviser will also aggregate in the same transaction, the same securities for accounts where the Adviser has brokerage discretion. Such aggregation may enable the Adviser to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. In such cases, the client will be precluded from receiving the benefit of

any possible commission discounts that might otherwise be available as a result of the aggregated trade. In cases where trading or investment restrictions are placed on a client's account, the Adviser may be precluded from aggregating that client's transaction with others. In such a case, the client may pay a higher commission rate and/or receive less favorable prices than clients who are able to participate in an aggregated order. When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to clients.

#### **Item 13. Review of Accounts**

Each client account is reviewed by the Chief Executive Officer of the Adviser to determine whether securities positions should be maintained in view of current market conditions.

Significant market events affecting the prices of one or more securities in client accounts, changes in the investment objectives or guidelines of a particular client or specific arrangements with particular clients may trigger additional reviews of client accounts.

#### **Item 14. Client Referrals and Other Compensation**

This item is not applicable.

#### **Item 15. Custody**

This item is not applicable.

#### **Item 16. Investment Discretion**

The Adviser provides investment advisory services on a discretionary basis to clients. Clients do not have the ability to place any limits on the Adviser's authority beyond the limitations set forth in the client's investment management agreement. Prior to assuming discretion in managing a client's assets, the Adviser will enter into an investment management agreement or other agreement that will set forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a discretionary client, the Adviser has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines), and (ii) the amount of securities to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held. The Adviser may consider the following factors, among others, in allocating securities among clients: (i) the client's risk profile; (ii) the client's tax status; (iii) legal restrictions; (iv) size of client's account; (v) total portfolio invested position; (vi) nature and liquidity of the security; (vii) size of the available position; (viii) supply or demand for a security at a given price; (ix) current market conditions; (x) timing of cash flows and client account liquidity and (xi) any other information determined by the Adviser to be relevant to the fair allocation of investment opportunities. Although it is the Adviser's policy to allocate investment opportunities to eligible client accounts on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to client accounts in varying amounts. Therefore, even client accounts that are typically managed on a pari passu basis may from time to time receive differing allocations of securities.

Securities acquired by the Adviser for its clients through a limited offering will be allocated pursuant to the procedures set forth in the Adviser's allocation policy. The policy provides that the Adviser will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those client accounts eligible to hold such securities. Eligibility will be based on the legal status of the clients and the clients' investment objectives and strategies. The Adviser may effect cross transactions between discretionary client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that clients are treated fairly.

To the extent the Adviser has authority, pursuant to the investment management agreement or other governing documents of a client account, to participate in class action claims (each, a "Claim") it will do so on a case-by-case basis. Once the Adviser receives a Claim, the Adviser will determine whether any clients or former clients of the Adviser owned the security during the period covered by the Claim. Appropriate personnel of the Adviser will determine whether they agree with the basis of the Claim and whether or not to participate in the Claim depending upon (i) the nature of the Claim; (ii) prospects for recovery; (iii) resources required to pursue the Claim, (iv) other relevant factors pertaining to the particular Claim and (v) any other factors that the Adviser deems relevant. To the extent the Adviser receives proceeds from a Claim on behalf of a client, the Adviser's general policy is that only current pooled investment vehicle investors at the time of receipt of the proceeds will participate in the proceeds. The Adviser may under certain circumstances elect not to participate in the proceeds of a Claim.

#### **Item 17. Voting Client Securities**

To the extent the Adviser has been delegated proxy voting authority on behalf of its clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to client securities, such proxies are voted in the best interests of its clients.

If a material conflict of interest between the Adviser and a client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the client or take some other appropriate action. The Adviser does not make any qualitative judgment regarding its client's investments.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a client's proxies by contacting the Chief Compliance Officer by telephone at 914-433-3376.

#### **Item 18. Financial Information**

This item is not applicable.