

Item 1 – Cover Page



Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of First Infrastructure Capital Advisors, LLC and its relying advisers. If you have any questions about the contents of this brochure, please contact us at (713) 337-7980. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

First Infrastructure Capital Advisors, LLC and its relying advisers are registered investment advisers. Registration of an investment adviser does not imply any level of skill or training.

Additional information about First Infrastructure Capital Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The Adviser (as defined in *Item 4* below) filed its last annual amendment of this brochure on March 25, 2024. This other-than-annual brochure amendment contains certain updated disclosures since the most recent filing to reflect the following:

- the addition of a relying adviser, Emerald Bridge Capital, LP;
- changes to the Adviser's ownership and control;
- enhanced disclosures with respect to the conflicts of interest on behalf of the Adviser;
- enhanced risk factors; and
- revised financial industry affiliations.

From time to time, the Adviser may amend this brochure to reflect changes in its business practices, changes in regulations and routine annual updates as required by the securities regulators. Pursuant to SEC rules, the Adviser will ensure that its clients receive a summary of any material changes to this and subsequent brochures within 120 days of the close of its business fiscal year. The Adviser may further provide other ongoing disclosure information about material changes as necessary.

Currently, the brochure may be requested by contacting Mr. Gordon D. Polozola, the Adviser's Chief Compliance Officer at via phone: (713) 337-7979 or via email: gordon@firstinfracap.com.

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Item 4 – Advisory Business

- A. First Infrastructure Capital Advisors, LLC (together with its affiliates, including FIC Managers, LLC, “**FICA**”) is an investment advisory firm located in Houston, Texas that commenced business in the first quarter of 2017. First Infrastructure Capital Advisors, LLC previously operated as an indirect, wholly-owned subsidiary of Quanta Services, Inc. (“**Quanta**”), a public company. In October 2024, First Infrastructure Capital Advisors, LLC was acquired by FIC HoldCo, LLC, which is solely owned and controlled by Cyrus Aghili, FICA’s managing partner (the “**Spin-out**”). Following the Spin-out, Mr. Aghili acquired a 50% ownership and control interest in Emerald Bridge Capital, LP (“**EBC**”) (the “**Combination**”). EBC is an advisory firm that was previously owned and controlled by Cay Freihofer, its managing partner, that commenced operations in 2023. Pursuant to the Combination, EBC has registered as an investment adviser with the SEC in reliance on FICA’s existing registration under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) in accordance with applicable SEC guidance. Mr. Aghili and Ms. Freihofer (the “**Principals**”) jointly own and control EBC (EBC and FICA together, the “**Adviser**”).
- B. The Adviser provides investment advisory services to private, pooled investment vehicles (each a “**Fund**”), standalone investment vehicles into which certain institutional investors have made capital commitments to make investments (each an “**SIV**”), as well as companies and institutional investors, including those invested in a Fund or SIV (“**Corporate Clients**”) (each a “**Client**,” and collectively, the “**Clients**”). The governing documents of the Funds and SIVs also provide for the establishment of parallel or other alternative investment vehicles in certain circumstances. Investors may participate in such vehicles for the purposes of certain investments, and if formed, such vehicles would also become Clients of the Adviser. In this brochure, because it is uncertain whether such additional parallel or alternative investment vehicles will be classified as clients of the Adviser, when we refer to the Clients, we are referring to all of the Funds, SIVs, and corporations and any such additional parallel or alternative investment vehicles, if any.

Investment advisory services provided by the Adviser to each of its Clients focus on investments in energy infrastructure and related assets and investments in other synergistic or related real estate, energy infrastructure and related opportunities that are associated with other infrastructure investments. Each Client’s portfolio is or will be managed pursuant to an investment management agreement with such Client, an agreement of limited partnership (if applicable), any investment guidelines attached thereto, the Client’s investment policy, and/or other governing documentation that may be entered into from time to time, and any applicable regulations.

- C. The Adviser’s advisory services are focused on the management of its Clients, the investment objectives, parameters and restrictions of which are disclosed to investors in the applicable governing agreements and offering documents before they invest. Investment restrictions applicable to specific Clients are customarily imposed in the governing agreements thereof, as agreed upon with investors.

The Adviser and its affiliates provide certain Clients with access to investments in energy infrastructure assets in priority to the Adviser’s other clients, to the extent that such assets would fall within the investment strategy of such Clients, and subject to certain other limitations as set forth in the relevant governing documentation (“**Priority Arrangements**”). The Adviser has entered and may in the future enter into side letters or other similar agreements with specific investors in a Fund which have the effect of establishing rights under, or altering or supplementing, the terms of the governing agreements of the Fund or an investor’s subscription agreement in respect of the investor with whom such arrangement is made (“**Side Letters**”).

Furthermore, pursuant to the terms of the governing documents of certain Funds, certain investors will, from time to time, be excused from particular investments. In certain limited circumstances, investors

could impose restrictions on investing in certain securities or types of securities, for example, in connection with regulatory or compliance reasons. As a result, not all investors in the same Fund will participate in all investment opportunities and may not have the same or similar investment return profiles.

Side Letters have the effect of establishing rights under, or altering or supplementing, the terms of the governing agreements of the Fund or an investor's subscription agreement in respect of the investor with whom such arrangement is made. Such arrangements often confer benefits on the relevant investor at the expense of the relevant Fund and/or of other investors as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund. As a result of such rights, certain investors in the same Fund experience, or could experience, different returns or have access to information to which other investors do not have access. For example, certain investors' co-investment rights under a Side Letter could result in fewer co-investment opportunities or limited allocations provided to other investors. Generally, any rights established, or any terms altered or supplemented, will govern only that investor and not a Fund as a whole.

In addition, such Side Letters could include, without limitation, rights or altered or supplemented provisions in respect of the priority profit share or management fees, carried interest, distributions, co-investments, transfers of interests in the Fund, tax and structuring matters, reporting and information rights, confidentiality, notice requirements, compliance with specified laws or regulations and other representations, warranties or diligence confirmations. Neither the Adviser nor its affiliates will enter into a particular Side Letter if the Adviser determines that the provisions contained in such Side Letter would be disruptive to the applicable Fund or its investment program.

- D. The Adviser does not participate in wrap fee programs.
- E. As of June 30, 2024, the Adviser manages around \$1.322 billion in discretionary regulatory assets under management. The Adviser does not manage any Client assets on a non-discretionary basis.

Item 5 – Fees and Compensation

- A. Below is a discussion of how the Adviser is compensated in connection with providing advisory services to its Clients. The Adviser has entered into and may in the future enter into different fee arrangements on a Client by Client basis. It is critical that all Clients, and investors in all Clients, refer to the applicable Client's governing documents for a complete understanding of how the Adviser and its affiliates are compensated for their advisory services. The information contained herein is a summary only and is qualified in its entirety by each applicable Client's governing documents.

Management Fees

In general, the Adviser is entitled to receive a management fee ("**Management Fee**") payable by Clients quarterly in advance for all periods during the life of the Client. In general, the Management Fee is calculated as a per annum percentage of commitments to the Client for an initial investment period (as established in such Client's governing documentation) after which, the Management Fee is calculated as a percentage of the cost of remaining investments held by the Client. The Adviser generally has the right, in its sole discretion, to waive or reduce all or part of the Management Fee payable by certain Clients or investors, without waiving or reducing the Management Fee payable with respect of other Clients or investors. The Adviser also generally has the right to waive or reduce all or part of any future installment of the Management Fee.

Carried Interest

Additionally, the general partner of a Client, or other affiliate of the Adviser, (a “**General Partner**”) is generally eligible to receive an incentive or performance allocation from a Client based on a percentage of investment proceeds on distributions (“**Carried Interest**”). Performance fees are typically measured as a percentage of the profits of a particular Client and distributions are split between Clients and the respective General Partner as set forth in the Client’s governing documents.

Management Fees and Carried Interest are generally negotiated at the time the Client is formed or an investor is accepted into a Fund.

Advisory Fees

With respect to any consulting or advisory services rendered to Corporate Clients, the Adviser charges an investment advisory fee or similar fee which is calculated and payable in such manner reflecting market practice at the time the agreement is entered and as may be agreed with the relevant Corporate Client (the “**Advisory Fee**”).

Fixed Fees

From time to time, the Adviser renders certain investment management assistance services for which the Adviser typically charges a fixed fee plus any out-of-pocket expenses.

- B. The Adviser neither deducts Management Fees from Clients assets nor bills Clients directly. In general, Management Fees are payable by Clients to the Adviser and Carried Interest is distributed by the Clients to the respective General Partners, in each case, on the terms provided for in the respective Client’s governing documentation. The General Partners are permitted to draw-down capital commitments from Clients or investors (as applicable), or to use amounts that would otherwise be available for distribution to such Clients or investors, in order to meet the obligation to pay certain portfolio monitoring or Management Fees.

Advisory Fees and fixed fees are generally billed directly to those Clients on the approval of the Client.

- C. As more fully described in each Client’s governing documents, Clients generally bear costs and expenses relating to their organization and formation (subject to a cap as provided in the Client’s governing documents), continuation, and business. Such expenses generally include, but are not limited to:

- Management Fees;
- out-of-pocket expenses incurred in connection with maintaining the existence of a Client and its General Partner (and its general partner);
- expenses incurred in connection with the operation of the Client, including but not limited to, all fees, costs and expenses related to the sourcing, researching, diligencing, investigating, identifying, analyzing, pursuing, negotiating, consummating, acquiring, purchasing, holding, monitoring, managing, seeking disposition (and sale) opportunities and selling (or otherwise disposing of) investments and prospective investments, whether or not consummated (i.e., including “broken deal” expenses), as applicable (including reasonable travel and related expenses, and reasonable meal, communication and certain reasonable and business-related entertainment expenses incurred in connection therewith and the costs of any research services);
- costs, fees and expenses incurred in the marketing and offering of interests in a Client, including, but not limited to, legal and accounting costs, fees and expenses, travel and related

costs and expenses, meal, communication and certain entertainment expenses and filing costs and fees;

- costs and expenses associated with any organization, maintenance and operation of any alternative investment vehicle, blocker corporation, intermediate entity or any other entity or vehicle through or in which portfolio investments are made;
- out-of-pocket expenses incurred in connection with the preparation or delivery of or otherwise relating to reports made to investors, including, without limitation, audit costs;
- the Client's fees, costs and expenses incurred in connection with complying with applicable law, rules and regulations, including, without limitation, any taxing authority (e.g., the regulatory expenses of a General Partner and the Adviser related to the preparation and filing of Form PF;
- all costs related to litigation, dispute resolution or settlement involving the Client, the General Partners, the Adviser or their affiliates, or any portfolio investment, including, without limitation, attorneys' fees incurred in connection therewith;
- to the fullest extent permitted under applicable law, including the Advisers Act, all costs related to the Client's indemnification and exculpation of the General Partners, the Adviser, their affiliates and the members of committees;
- the costs of any litigation, director and officer liability or other insurance (including allocated costs thereof incurred by the Adviser) and indemnification, exculpation or extraordinary expense or liability relating to the affairs of a Client;
- principal, interest, fees and any other obligations or expenses arising out of all permitted borrowings made by the Client, including, without limitation, any fees and expenses incurred as a result of the implementation and utilization of any credit facility and/or any credit support;
- expenses of the committees including those relating to their organization and its activities;
- costs and expenses related to attendance at and/or sponsorship of industry conferences, industry organizations and sourcing events, marketing and advertisements, including, without limitation, marketing events at industry conferences, and asset management software and research and/or market database and/or industry subscriptions or publications and research services attributable to a specific investments or prospective investments;
- unreimbursed out-of-pocket expenses relating to transactions, including legal, accounting, investment banking, advisory, financing and consulting fees, and all professional fees incurred in connection with the business or management of the Client;
- fees, costs and expenses of any Operating Partner (as described in *Item 11* below) incurred in performing any service for the Fund, including any expenses incurred in connection with performing services for one or more of its potential or existing investments;
- all extraordinary professional fees incurred in connection with the business or management of the Client;
- the Client's allocable share of all reasonable fees and expenses incurred in connection with the Client's annual or other periodic meetings;
- fees, costs and expenses incurred in connection with establishing, implementing, monitoring or measuring the impact of environmental, social and governance ("ESG") policies and programs with respect to a Client or its investments;

- fees, costs and expenses incurred in connection with cybersecurity (including, but not limited to, expenses relating to insurance, monitoring and/or breaches;
- taxes, fees or other governmental charges levied against the Client or any subsidiaries (including without limitation withholding and similar taxes imposed on payments by or to the Client or subsidiaries thereof) and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Client; and
- fees, costs and expenses of the wind down, dissolution and termination of a Client, its General Partner and/or investment holding entities or other investment vehicles associated therewith, and the liquidation of the assets of such Client in connection therewith.

With respect to formation and organization expenses in excess of the agreed upon amount stated in a Client's governing documents, such expenses are borne by the Adviser or an affiliate, although typically the Adviser reserves the right to elect to have such excess expenses advanced by the Client, in which case, there will typically be a corresponding reduction to Management Fees over a term defined in the Client's governing documents.

Additionally, the Adviser, the General Partners and/or their respective principals, directors, employees and affiliates reserve the right to receive, with respect to a portfolio investment, certain investment banking fees, closing fees (including up-front investment transaction closing fees), investment consummation fees, up-front syndication fees, break-up fees, consulting fees, annual director's or trustee's retainers or fees, and other similar fees in connection with any proposed or actual investment by Clients. Such fees will generally offset the amount of the Management Fee payable by the respective Client. The Adviser anticipates that similar arrangements will apply in relation to other Clients. As noted in *Item 4*, these arrangements give rise to certain conflicts of interest. These conflicts of interest and the Adviser's approach to them are described more fully in *Item 8*.

In connection with distributions in kind, certain Clients could reserve the right to request that the Adviser effectuate a sale of the relevant assets in lieu of such distributions, in which case, the Client will bear the costs and expenses of such sale.

Clients could bear other third-party fees and/or expenses, which will vary based on the amount of assets managed and the types of investments in the Client's account. These fees may include certain custodial fees and transaction fees.

The Adviser and its personnel also expect to receive certain intangible and/or other benefits arising or resulting from their activities on behalf of Clients, which will not be subject to Management Fee offsets or otherwise shared with Clients, investors and/or portfolio companies. For example, airline travel or hotel stays incurred as a Fund expenses could result in "miles" or "points" or credit in loyalty or status programs, and such benefits will accrue exclusively to the Adviser or its personnel (and not to the respective Fund, its investors, or its portfolio companies) even though the cost of the underlying service is borne directly by the Fund or its portfolio companies and indirectly by the investors.

The Adviser does not maintain any trading accounts and does not use "soft" dollars. Please refer to *Item 12*, for additional information.

- D. The Management Fees described above are generally payable quarterly in advance. The Management Fee obligation of a Client, and its investors, may only be terminated or modified as provided by such Client's governing documents and the investment management agreement between the Adviser and

such Client. Management Fees are typically calculated on an annual basis, and are pro-rated for partial periods.

- E. Other than as described above, neither the Adviser nor any of its supervised persons receive any compensation from the sale of securities or other investment products.

Item 6 – Performance-Based Fees and Side-By-Side Management

As stated in *Item 5* above, the Adviser and its affiliates are eligible to receive performance-based fees or allocations from certain Clients, but not others. Such Carried Interest arrangements are negotiated separately with respect to each Client in compliance with the requirements under the Advisers Act.

The existence of a performance-based fee creates an incentive for General Partners and the Adviser to make riskier or more speculative investments on behalf of Clients than would be the case in the absence of these arrangements. Further, the method of calculating Carried Interest raises conflicts of interest between the applicable General Partner and Client with respect to the management and disposition of investments, as well as the determination of the timing, method, and amount of distributions by a Client, and the use of certain Client-/Fund-level credit facilities.

Additionally, the Adviser has an incentive to favor Carried Interest-paying or higher fee-paying Clients over others in the allocation of investment opportunities, as is the case with the Priority Arrangements described in *Item 4* above.

Clients and investors, as applicable, are provided with disclosure in the respective governing documents of each Client as to how investment opportunities are allocated and, in the case of each Client, how performance-based compensation is charged and the risks associated with such performance-based compensation, prior to engagement of the Adviser's advisory services. In addition, the Adviser employs policies and procedures governing the identification, assessment and monitoring of conflicts of interest as further described in *Item 11*. To the extent conflicts of interest arise in respect of one or more Clients or the investments thereof, the Adviser is under an obligation to make certain disclosures to Clients and investors and, in certain circumstances, to seek consent or approval thereof in respect of such conflict.

Item 7 – Types of Clients

As described in *Item 4*, the Adviser only provides investment advisory services to the Funds and certain SIVs, which are exempt from registration under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") and Corporate Clients. Also, as described in *Item 4*, investors in a Client may participate in a Client's investments through parallel vehicles or alternative investment vehicles in accordance with the governing documentation of the Client. Such vehicles may also be Clients of the Adviser. Each investor in a Client must be a "qualified purchaser" for Investment Company Act purposes and a "qualified client" for Advisers Act purposes.

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

A. Methods of Analysis and Investment Strategies

The Adviser's investment strategy is primarily focused on pursuing investment opportunities in energy infrastructure and related assets in North America and Australia. The Adviser seeks to leverage its deep relationships and build upon the knowledge collected over years of experience in the space. The Adviser generally seeks to invest, directly or indirectly through investments in greenfield projects, existing assets or existing companies with developmental components, in energy infrastructure assets (such as power generation and storage facilities; electric power transmission and distribution assets; substation facilities; renewable energy facilities; midstream oil and gas assets; pipeline transmission and distribution system and facilities; and fiber optic and telecommunications infrastructure) that the Adviser believes can deliver appropriate leveraged risk-adjusted returns through contracted cash flows expected to return capital, and which may also deliver such returns through incremental asset growth and/or capital appreciation.

Investing in portfolio companies involves a high degree of business and financial risk that can result in substantial losses that Clients and investors should be prepared to bear, including up to the entire amount of their investment or commitment. For a discussion of material risks, see *Items 8.B* and *8.C* immediately below. Prospective Clients and prospective investors are provided with detailed information about risks before they invest in the private offering materials and governing agreements for such Client or Fund.

While the descriptions of the Adviser's investment strategies and methods of analysis are relevant to co-investment vehicles, each co-investment vehicle generally invests in one portfolio company and therefore lacks the potential benefit of diversification and will be particularly exposed to the legal and financial risks associated with that transaction, including the risk of loss. The summary provided herein should not be interpreted to limit in any way the Adviser's investment activities.

B. Material Risks

In order for the Adviser to succeed on behalf of its Clients, it must be able to identify potentially successful investment opportunities, a process that is difficult even for those with extensive investment experience. Portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and may require substantial additional capital to support expansion or to achieve or maintain a competitive position. Investments in a Fund or SIV are highly speculative, involve a high degree of risk and could result in the loss of part or all of an investor's capital contributions. Prospective investors should not invest unless they can bear such a loss. There can be no assurance that a Client's investment objectives will be achieved, and investment results may vary materially from one reporting period to the next. In addition, there will be occasions when the Adviser and its affiliates may encounter conflicts of interest in connection with its Clients. Consequently, investments in a Client are suitable only for sophisticated investors capable of making an informed independent decision as to the risks involved in an investment. In addition to the risks set forth above, there are several additional risk factors to consider prior to making an investment in a Client including, but not limited to, the risk factors set forth in this *Item 8.B* and the risk factors disclosed to investors before they invest in a Client in the private offering materials and governing agreements for such Client. All investors are required to represent in their subscription materials that they have carefully read the risk factor disclosures and understand all such risks. Prospective investors are also advised in the offering materials that the risk factors and other investment considerations described therein are not necessarily a complete list or explanation of all risks involved and are advised to consult their own counsel and other advisors.

General Investment Program and Market Risks

Without limiting (i) the foregoing, (ii) the disclosure set forth in Clients' private offering documents and governing agreements, and (iii) the acknowledgements made by investors in their subscription agreements or otherwise, the discussion below summarizes certain of the material risks associated with investments in a Client:

Nature of Investment: An investment in a Client requires a long-term commitment, with no certainty of return. Portfolio investments of a Client may not generate current income. Therefore, the return of capital and the realization of gains, if any, from a portfolio investment generally will occur upon the partial or complete realization or disposition of such portfolio investment. While a portfolio investment may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of a Client's portfolio investments will not occur for a number of years after such portfolio investments are made.

Restrictions on Transfer and Withdrawal; Lack of Liquidity: The interests in a Client are not registered under the Securities Act of 1933, as amended, or any other applicable securities laws and there will be no public or private market for the interests in a Client and none is expected to develop. In addition, the interests in a Client are not transferable and are not permitted to be encumbered.

Prior Investment Performance Not Indicative of Future Results: The performance of prior investments made by Client or the Adviser's Principals or other investment professionals is not indicative of any Client's future results. On any given investment, total loss of the investment is possible.

Investors Will Not Participate in Management of Clients: The Adviser and the General Partners will have the exclusive responsibility for a Client's activities, including the management, day-to-day operations and investment and disposition decisions for Clients. Accordingly, investors in a Client will have almost no control over their investments in a Client and will not have the opportunity to approve investments made by a Client or to independently evaluate the information that will be utilized by the Adviser and the General Partners in the selection, management or disposition of investments.

Dependence on Key Personnel: The success of a Client depends in substantial part upon the skill and expertise of the Principals and other investment professionals of the Adviser. There can be no assurance that the Principals and other investment professionals will continue to be partners of or employed by the Adviser. The loss of service to a Client of one or more investment professionals could have a material adverse effect on the success of a Client.

Effect of Fees and Expenses on Returns: Most Clients will pay fees and will bear all expenses related to its investment vehicle's operations. Such fees are expected to reduce the actual returns to investors in a Client. Most of the fees and expenses will be paid regardless of whether a Client produces positive investment returns.

Indemnification: The Adviser and its respective members, partners, shareholders, directors, officers, employees, agents, and affiliates, will be entitled to indemnification from a Client, except in certain circumstances and subject to limitations imposed by law or regulation. The assets of a Client will be available to satisfy these indemnification obligations, and investors in a Client may be required to return distributions to satisfy such obligations. Such obligations will survive the dissolution of a Client.

Possibility of Fraud or Other Misconduct of Employees and Service Providers: Misconduct by employees of the Adviser, portfolio company officers or employees, service providers to the foregoing or their respective affiliates could cause significant losses to the Adviser or a Client. Misconduct could include

entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by a Client, misappropriation of Client assets, or the improper use or disclosure of confidential or material non-public information, any of which could result in litigation or serious financial harm. The Adviser has controls and procedures through which it seeks to minimize the risk of such misconduct occurring. However, no assurance can be given that the Adviser will be able to identify or prevent all such misconduct. Where such misconduct occurs, the Adviser or a Client could still have indemnification obligations to such employees and service providers and have limited remedies for such misconduct.

Failure to Make Capital Contributions: If any investor in a Client fails to fund its subscription obligation or make required capital contributions when due, a Client's ability to complete its investment program or otherwise continue operations could be impaired and the investor may be subject to significant consequences.

Regulatory Concerns: Each Client is not required to, and does not intend to, register as an investment company under the Investment Company Act. Accordingly, certain provisions of the Investment Company Act (which may provide certain regulatory safeguards to investors) will not be applicable.

Early Termination of a Fund: Under the Partnership Agreement, a Client is permitted to be dissolved and terminated prematurely, and so could be unable to accomplish its objectives and be required to dispose of its investments at a disadvantageous time or make an in-kind distribution (causing investors not having their capital invested or deployed in the manner originally contemplated).

Legal, Tax and Regulatory Risks: During the term of a Client, legal, tax and regulatory changes could occur that may adversely affect a Client. Failure to comply with the requirements imposed on the Adviser or a Client as a consequence of registrations or requirements that are currently applicable, or in future may be imposed, may have a significant adverse effect on the Adviser's ability to perform its duties to Clients. The Adviser's ability to source and execute transactions for Clients may also be adversely affected by negative publicity arising from any regulatory compliance failures or other inappropriate behavior attributed to or any other publicity related to the Adviser, the General Partners', Clients' or a portfolio company's reputation.

Credit Facility: The General Partner reserves the right to establish one or more credit facilities for a Client with one or more financial institutions. Implementation and utilization of any credit facility may result in fees and expenses to a Client. In addition, Clients could be required, in certain instances, to provide credit support in connection with the underlying portfolio investments' use of such Client's credit facility.

Recourse to a Client's Assets: A Client's assets, including any investments made by a Client and any capital held by a Client, are available to satisfy all liabilities and other obligations of a Client. If a Client itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to a Client's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Competitive Marketplace: Clients will be competing with a significant number of private equity funds, as well as institutional investors and strategic investors, for investments in prospective portfolio companies. As a result of this competition, there can be no assurance that a Client will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its committed capital. In addition, the Adviser could be unable to obtain as favorable terms as it would otherwise in a less competitive investment environment. The availability of investment opportunities generally will be subject to market conditions as well as the prevailing regulatory or political climate. In addition, the current private equity environment has become even more competitive as other

market participants, including hedge funds and special purpose acquisition companies, have been competing for investment opportunities that have traditionally been targeted by private equity funds. Clients will be competing with other investors, private equity funds, financial institutions and corporate or strategic buyers, some of which will have greater resources than a Client, for the investments that a Client will make. Furthermore, additional investment vehicles with similar investment objectives are expected to be formed in the future by other unrelated parties. As a result, there can be no assurance that a Client will be able to identify and complete portfolio investments that satisfy their investment objectives or realize the value of those portfolio investments, or that they will be able to fully invest their commitments. Even so, investors will need to pay management fees based on aggregate commitments during the commitment period. The difficulty identifying and gaining access to attractive investment opportunities also applies to the management teams of portfolio companies, who will not necessarily be able to fully invest all the capital committed to those portfolio companies by a Client. Clients and their portfolio companies could incur significant expenses investigating potential investments that are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third-party advisors.

Concentration Risk; Limited Number of Investments: Subject to any investment limitations described in a Client's governing documents, Clients will generally make a limited number of investments, resulting in the risk that the aggregate returns realized by Clients and investors could be substantially adversely affected by the unfavorable performance of, or a default in respect of, even one of such investments. On any given investment, loss of all or a portion of the investors' capital is possible. Investors have no assurance as to the degree of diversification in a Client's investments.

Reliance on Portfolio Company Management: Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although each Client's General Partner and the Adviser will monitor the performance of each portfolio investment, there can be no assurance that the existing management team, or any successor team or member, will be able to successfully operate the portfolio company in accordance with such Client's plans. Additionally, portfolio companies need to attract, retain and develop executives and members of their management teams. The market for executive talent can be, despite 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 Client could be adversely affected thereby. Additionally, the Adviser relies on portfolio company management to comply with laws and regulations as they relate to such portfolio company. There can be no assurance that portfolio company management will assure such compliance.

Leverage: A Client's investments are expected to include companies whose capital structures may have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Although the Adviser will seek to use leverage in a prudent manner, the leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the portfolio companies or their respective industry. Additionally, the securities acquired by a Client could be the most junior in what may be a complex capital structure and thus subject to the greatest risk of loss. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Client. Except where otherwise required by the relevant governing documents, a Client will not be obligated to borrow on behalf of a portfolio company, even in circumstances where a Client's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

Risks Associated with Hedging Policies: The Adviser reserves the right to employ hedging techniques in connection with the acquisition, holding, financing, refinancing, or disposition of certain portfolio investments, in order to reduce the risks of adverse movements in interest rates, securities prices and

currency exchange rates or to otherwise enhance returns. While hedging transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while a Client may benefit from the use of these hedging mechanisms, unanticipated changes in commodity prices, interest rates, securities prices, currency exchange rates or other events relating to such hedging transactions may result in a poorer overall performance for a Client or its portfolio investments than if it had not entered into such hedging transactions.

Derivative Instruments: A Client may enter into or invest in financial derivatives, which may include forwards, options, swaps, structured securities and other contracts and instruments the price or value of which is derived from one or more underlying securities, currencies, reference obligations, or other assets or indices. Derivatives allow a party to hedge exposure to, or establish a long or short position in, the price or value of one or more securities, currencies, reference obligations, or other assets, or indices at a fraction of the cost of investing in the underlying asset directly. Derivatives may also be acquired as a direct, stand-alone investment. The price or value of financial derivatives may be highly volatile.

The price or value of a derivative depends largely upon price and value movements in the underlying security, instrument or asset to which it refers. Therefore, many of the risks applicable to trading the underlying security are also applicable to its derivative. However, there are a number of other risks associated with derivatives. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than, for example, any premium paid or amount deposited as collateral when the transaction is entered into, a relatively small adverse market movement can result in a relatively large loss, perhaps exceeding the original amount of equity invested. In addition, financial derivatives generally expose a Client to the risk that the parties with which a Client deals (such as large financial institutions that provide prime brokerage services) will not perform their obligations for insolvency, credit, or other reasons. Such non-performance could expose a Client to losses. Derivatives may also expose a Client to liquidity risk, as the Client may want to sell, assign or terminate early a derivative, and may not be able to do so without incurring substantial losses.

Bridge Financing: Certain Clients could provide bridge financing or investments in connection with one or more of its equity investments. Clients will bear the risk of any changes in capital markets that may adversely affect the ability of a portfolio company to refinance any bridge investments. If the portfolio company were unable to complete a refinancing, a Client could have a long-term investment in a junior debt security or a junior debt security that is convertible into equity. In certain cases, a Client will make an investment in a single transaction with the intent of refinancing or syndicating the portion of that investment constituting a bridge financing. In such cases, there is a risk that such Client will be unable to successfully complete such a refinancing or syndication. A Client will incur certain expenses in acquiring such investment, including with respect to structuring the investment, that will not be reimbursed to such Client in connection with the refinancing or syndication of the investment or a portion thereof. The Client's General Partner is permitted to waive or could determine not to charge interest on the refinanced or syndicated portion of the investment. As such, a Client could derive little or no benefit from, or lose capital in connection with, holding the refinanced or syndicated portion. Bridge financings and similar arrangements have the potential to cause a Client to be less diversified than the Adviser intended.

Effects of Bankruptcy: Certain Clients could make investments in portfolio companies that are or may become the subject of voluntary or involuntary bankruptcy proceedings under applicable bankruptcy laws. Certain risks that are faced in bankruptcy cases that must be factored into the investment decision include, for example, the potential total loss of any such investment. Upon confirmation of a plan of reorganization under applicable bankruptcy laws, or as a result of a liquidation proceeding, a Client could suffer a loss of all or a part of the value of its investment in a portfolio company. A bankruptcy filing may adversely and permanently affect a portfolio company. The portfolio company could lose market position and key

employees, and the liquidation value of the portfolio company may not equal the liquidation value that was believed to exist prior to the making of the initial investment.

Difficulty in Valuing Investment Portfolio: The valuation of Client investments, which will affect the performance results of a Client, involves uncertainties and subjective determinations. Because the Adviser determines in its discretion the value of Client investments, potential conflict of interest exists in making valuation determinations given the potential impact of such valuations on a Client's performance, particularly with respect to payment of performance fees. There can be no assurance that a Client will be able to realize their investments at prices that are commensurate with the value at which such investments have been carried on a Client's books and the difference between carrying value and the ultimate sale price could be material. The fair value of all investments or of property received in exchange for any investments will be determined by the Adviser in accordance with the applicable Client's governing documents and the Adviser's valuation policies. The exercise of discretion in valuation by the Adviser presents a conflict of interest, including in connection with determining the amount and timing of distributions in respect of any carried interest and the calculation of any management fees after the end of an applicable Client's investment period. Notwithstanding the terms of the applicable limited partnership agreements, the Adviser could have an incentive to adjust valuation determinations upward (or to avoid reductions) in order to enhance performance reporting with the effect of receiving higher management fees where applicable. Further, in connection with the Adviser's discretion in valuing certain assets, the Adviser maintains discretion to determine whether certain assets have experienced a permanent and significant decline in value. A permanent and significant decline in the value of an investment would generally reduce the basis from which Management Fees are calculated where applicable. The Adviser therefore could have an incentive with respect to certain Clients to hold onto assets or other investments that have poor prospects for improvement or to avoid or otherwise delay determining that an investment has been subject to a permanent and significant decline in value. Limited partners will generally not have access to detailed valuation calculations and methodologies or to the underlying information utilized for a particular valuation or investment.

Risks In Effecting Operating Improvements: In many cases, the success of a Client's investment strategy will depend, in part, on the ability of a Client to effect improvements in the operations of a portfolio company. The activity of identifying and implementing potential operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Client will be able to successfully identify and implement such improvements.

Investments in Debt Securities Generally: Certain Clients could invest in debt securities and obligations which entail typical credit risks (i.e., the risk of non-payment of interest and principal) and market risks (i.e., the risk that interest rates and other factors will cause the value of the instrument to decline).

Interest Rate Risks: The prices of portfolio investments tend to be sensitive to interest rate fluctuations. Fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. For example, as interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. In addition, interest rate increases generally will increase the interest carrying costs to a Client of borrowed securities and leveraged investments.

Reinvestment: Under certain circumstances, proceeds distributable (or previously distributed) to the investors of a Client that constitute a return of capital contributions may be retained and reinvested (or recalled for reinvestment) by the Adviser or used (or recalled for use) by the Adviser for any other proper purpose. Accordingly, an investor may be required to fund for investments or expenses during a Client's term an aggregate amount that significantly exceeds its capital commitment.

Unspecified Use of Proceeds: In most cases, Client investors do not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by a Client and, accordingly, will be dependent upon the judgment and ability of the Adviser in investing and managing the capital of a Client.

Material Non-Public Information: Despite the maintenance of restricted lists and other internal controls, perhaps the internal controls relating to the management of material non-public information could fail and lead to the Adviser, or one of its investment professionals, buying or selling a security while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could harm the Adviser's reputation, lead to the imposition of regulatory or financial sanctions, and so harm the Adviser's ability to perform its investment management services on behalf of a Client.

U.S. Taxation of Carried Interest: U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as Clients as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Client (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which could be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that could be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Client, its General Partner, or the Adviser who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant general partner and its affiliates to incentivize, attract and retain individuals to perform services for a Client. This creates potential incentives for the Adviser to cause a Client to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Uncertain Economic, Social and Geopolitical Environment: Market and economic conditions during past years caused significant disruption in the financial markets and economy. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. The effects of future terrorist acts (or threats thereof), ongoing and future wars (including the ongoing military conflict between Ukraine and the Russian Federation and the Israel-Hamas Conflict, both of which have caused disruption to global financial systems, trade and transport, among other things) or other military actions or similar events on the economies and securities markets of countries cannot be predicted. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability Clients or their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by a Client and result in longer holding periods for investments. A slowdown in the global economy may affect the success of a Client's portfolio investments. Such slowdown may affect interest rates, availability of credit, inflation rates and currency exchange rates, which in turn may have a negative impact on the Fund's investments.

Inflation: Certain countries have experienced and could in the future experience substantial, and in some periods extremely high, rates of inflation. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets (both public and

private) of certain countries in which Clients could invest. There can be no assurance that high rates of inflation will not have a material adverse effect on the investments of Clients.

Benchmark Risk: The London Interbank Offered Rate (“LIBOR”) and certain other “benchmarks” have been the subject of national, international, and other regulatory guidance and reform. As of February 2024, only the synthetic 1-month, 3-month and 6-month US dollar LIBOR settings, and the synthetic 3-month sterling LIBOR setting, remain, with the USD settings expected to cease permanently at the end of September 2024 and the sterling setting expected to cease permanently at the end of March 2024. The current phasing out and discontinuation of the remaining LIBOR settings, or the replacement of the remaining LIBOR settings with an alternative reference rate such as the Secured Overnight Financing Rate (“SOFR”), has the potential to adversely affect the Adviser’s credit arrangements and negatively impact the expected return on a Client’s portfolio and/or the availability of instruments designed to hedge a Client’s exposure to the remaining LIBOR settings, and such impacts could be material.

Although it is expected that certain loan obligations that bear interest based on the remaining LIBOR settings will have migrated to a new benchmark, there is no guarantee that (i) such transition has occurred or will occur, and if it occurs, when such transition will occur, (ii) any particular alternative rate will replace the remaining LIBOR settings as the benchmark for such loan obligations and (iii) any spread adjustment adopted in connection with such transition will be representative of the remaining LIBOR settings as of the date of determination of such benchmark.

The discontinuation of the remaining LIBOR settings could cause an increase in the volatility of the remaining LIBOR settings and SOFR or any other relevant alternative rate prior to the consummation of any such change. There is no certainty as to how the emerging market-accepted alternatives to the remaining LIBOR settings have the potential to impact investment returns. It is possible that no alternative benchmark will reflect the composition and characteristics of the remaining LIBOR settings, and dramatic shifts in debt investments and the debt markets generally could occur, which has the potential to negatively impact the expected return on the Adviser’s portfolios. As a result of the expected transition, interest rates on loans, deposits, derivatives, and other financial instruments tied to the remaining LIBOR settings, as well as the revenue and expenses associated with those financial instruments, could be adversely affected. There is no guarantee that a transition from the remaining LIBOR settings to an alternative will not result in financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which has the potential to have a material adverse effect on the Adviser’s business, result of operations, and financial condition.

Withdrawal of the United Kingdom from the European Union: The United Kingdom (“UK”) withdrew from the EU on January 31, 2020 (“Brexit”). In connection with Brexit the UK and the EU agreed to the Trade and Cooperation Agreement (“TCA”) which took effect from January 1, 2021, that governs the future trading relationship between the UK and the EU in specified areas. On June 27, 2023, the UK signed a Memorandum of Understanding with the European Union to increase co-operation on financial services. The Memorandum of Understanding does not represent an agreement or roadmap towards reconstituting any of the mutual freedoms prior to Brexit; rather, it represents an arrangement to cooperate around shared objectives and establishes a “forum” mechanism to facilitate discussion.

The Memorandum of Understanding sets out a shared objective of preserving financial stability, market integrity and the protection of investors and consumers. Brexit continues to lead to changes to the regulatory environment and regulatory divergence between the UK and EU. In particular, in the UK the Financial Services and Markets Act 2023, which received Royal Assent on 29 June 2023, made provision for all retained EU legislation (known as “assimilated law” from 1 January 2024) to be repealed and replaced with UK-specific legislation and regulatory rules. While this will not necessarily result in policy changes to all regimes inherited from the EU, it does afford policymakers with the opportunity to make such changes and will result in divergence in certain areas. Further, the EU is also working on legislative changes as part of

scheduled reviews of various regulatory regimes; such changes will not be reflected in the UK equivalent regimes.

There can be no assurance that any negotiated laws, taxation and/or regulations will not have an adverse impact on the Adviser, Clients or Clients' portfolio companies, including the ability of Clients to achieve their investment objectives. The ongoing effects of Brexit have the potential to result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management (due in part to redenomination of financial assets and liabilities), an adverse effect on the ability of the Adviser to manage, operate and invest and increased legal, regulatory or compliance burden for the Adviser or a Client, each of which has the potential to negatively impact the operations, financial condition, returns or prospects of Clients.

Data Privacy and Cybersecurity Laws and Requirements: The Adviser, each Client, their respective affiliates, portfolio companies, and, on their behalf, third-party vendors, collect, use, handle and otherwise process information related to individuals ("**personal information**"), including information concerning actual and prospective individual investors (and the beneficial owners of investors) and representatives of institutional investors, as well as employees, job applicants, representatives of companies the Adviser, a portfolio company or an affiliate thereof does business with, and others, which subjects the Adviser, its portfolio companies or their affiliates to certain foreign, federal and state laws, regulations, rules and other requirements related to the privacy, security and processing of personal information.

These requirements, and their application and interpretation, are constantly evolving and increase the potential exposure to regulatory enforcement or litigation. In particular, the SEC has proposed new cybersecurity risk management rules intended to enhance cybersecurity preparedness and resilience, which would impose further requirements on the Adviser if the new rules were to come into effect. Compliance with such emerging requirements will likely result in increased compliance costs and have the potential to lead to changes in the Adviser's business practices.

In addition, the Adviser, its Clients, and their respective affiliates receive, store, handle, transmit, use and otherwise process information related to our portfolio companies and prospective portfolio companies, including from and about actual and prospective investors (and the beneficial owners of investors), as well as our employees, job applicants, contractors and representatives of companies we do business with (collectively, "**confidential information**"). As a result, the Adviser, each Client and each affiliate thereof is, and could in the future become subject to further U.S. federal and state laws, rules and regulations related to data privacy, data protection and information security which could apply to personal information provided by, or on behalf of, any investor.

We could be required to modify our data collection or processing practices and policies and incur substantial costs and expenses in an effort to comply with such laws, and increase our potential exposure to regulatory enforcement and/or litigation. Additionally, these requirements, and their application, interpretation and amendment are constantly evolving and developing. Compliance with existing and emerging data privacy and security laws, regulations and industry standards could result in increased compliance costs and/or lead to changes in business practices and policies. Any actual or perceived failure to protect the confidentiality of client or other personal information could adversely affect the Adviser's reputation, result in legal claims or proceedings (including class actions), regulatory investigations or enforcement actions, fines or other financial loss, require the Adviser to incur significant costs or investment in resources, and impact strategies, any of which could materially and adversely affect the Adviser and each Client's business, results of operations and financial condition.

ESG Matters: While ESG matters are one of many factors the Adviser considers when making investments, there is no guarantee that ESG factors implemented by any Client will create a positive ESG impact while enhancing long-term shareholder value and achieving financial returns. To the extent that the Adviser engages with potential or current portfolio companies on ESG-related practices, such engagements

may not achieve the desired financial or social results, or the market or society may not view any such changes as desirable. Successful implementation of ESG factors on the part of the Adviser will depend on the Adviser's skill in properly identifying and analyzing material ESG factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Furthermore, the application of ESG initiatives may affect the Adviser's exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact the Adviser's performance depending on whether such investments are in or out of favor. Applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that any criteria utilized by the Adviser or any judgment exercised by the Adviser will reflect the beliefs or values of any particular investor or Client. Additionally, it should not be assumed that any ESG practices or standards will apply to every investment in which a Client invests. ESG is only one of many considerations that the Adviser takes into account when making investment decisions, and other considerations can be expected in certain circumstances to outweigh ESG considerations. Any ESG information provided is intended solely to provide an indication of ESG initiatives and standards that the Adviser applies when seeking to evaluate the ESG characteristics of an investment as part of the larger goal of maximizing financial returns on investments.

In evaluating a company, the Adviser is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the Adviser to incorrectly assess a company's ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a company's ESG-related practices or the Adviser's assessment of such practices may change over time.

Disease and Epidemics: The impact of disease and epidemics, including coronavirus, could have a negative impact on our business, Clients, their portfolio companies and their performance and financial position. Renewed outbreaks of existing pandemics or the outbreak of new epidemics or pandemics (or variants thereof) could result in health or governmental authorities requiring the closure of offices or other businesses and could also result in a general economic decline. For example, such events could adversely impact economic activity through disruption in supply and delivery chains. Moreover, our operations and those of our Funds or portfolio companies could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses could have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence could negatively impact market value, increase market volatility and reduce liquidity, all of which could have an adverse effect on our business, Clients and underlying portfolio investments. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated.

SEC Regulation; Impact of Rule Reforms: Changes in law or regulations could adversely affect the value of investments held (directly or indirectly) by a Client, affect the ability of a Client to pursue its investment strategy, restrict the Adviser's and a General Partner's ability to operate as they have in the past, and increase the amount of fees or expenses borne by a Client and the investors thereof indirectly. The time and attention as well as the financial costs associated with compliance with any regulatory rulemaking could divert the Adviser's resources away from managing the investment programs of a Client, which could adversely affect both a Client and its underlying investments. Similarly, any cost of new compliance obligations attributable to the Clients have the potential to increase the financial burden on the Clients to the extent such Clients themselves are required to bear such costs and expenses and could reduce investors' distributions. Further, the impact of SEC rulemaking is uncertain and legal or regulatory uncertainty with respect to any such rulemaking is likely to result in a diversion of the Adviser's time and resources as well as expose the Adviser to regulatory risk, all of which in turn could negatively impact Clients and their underlying investments.

Risks Upon Dispositions of Investments: In connection with the disposition of a portfolio investment, a Client could be required to make representations about the business and financial affairs of such portfolio company typical of those made in connection with the sale of a business. It may also be required to indemnify the purchasers of such investment to the extent that any such representation turns out to be inaccurate and in connection with such indemnification obligations may be required to holdback certain funds in escrow accounts for a period of time following such disposition. Any such escrowed funds will delay payment to a Client's investors, even if such investors are properly entitled to such amount. These arrangements in certain cases will result in contingent liabilities of a Client, which might ultimately have to be funded by the investors in a Client to the extent that such contingent liabilities exceed the reserves and other assets of a Client and the investors of a Client have received prior distributions from a Client.

Joint Investments with Third Parties: A Client may acquire interests in certain portfolio investments (including non-control or minority investments) in cooperation with third-party partners or co-investors through jointly-owned acquisition vehicles, joint ventures or other structures. The Adviser or its affiliate may offer co-investment opportunities to any or all of the investors.

In these co-investment situations, a Client's ability to manage such portfolio investments will depend upon the nature and terms of the joint arrangements with such partners and the Client's relative ownership stake in the portfolio investment, each of which will be determined by negotiation at the time of the investment and the determination of which is subject to the discretion of the Adviser. Depending on the Adviser's perception of the relative risks and rewards of a particular portfolio investment, the Adviser reserves the right to elect to invest in structures that afford relatively little or no operational or management control to a Client. The Adviser reserves the right to enter into such arrangements on terms that restrict a Client's ability to dispose of its portfolio investment for potentially significant periods of time. A Client may invest under circumstances where it does not control the portfolio investment and where a third party does control the portfolio investment. Such arrangements present risks not present with wholly owned investments, such as the possibility that a co-investor becomes bankrupt, develops business interests or goals that conflict with a Client's interests and goals in respect of the portfolio investment or acts in a way that results in the triggering of a buy/sell provision or other governance provision at an inopportune time.

Investments Longer than the Client's Term: The Adviser reserves the right to make investments which may not be advantageously disposed of prior to the date on which a Client's engagement with the Adviser will be terminated. The Adviser could be required to sell, distribute or otherwise dispose of investments at times of market volatility or uncertainty or at an otherwise disadvantageous time. As a result, a Client could sell, distribute or otherwise dispose of its investments for a price which is less than the price that could have been obtained if the investments were held for a longer period of time.

Distributions in Kind: Although, under normal circumstances, Clients intend to make distributions in cash or in publicly traded securities, it is possible that under certain circumstances (including the liquidation of a Client) distributions could be made in kind and could consist of securities for which there is no readily available public market. In such circumstances, there is a conflict of interest between a General Partner (and its beneficial owners) and the relevant Clients' investors. For example, the General Partner and its beneficial owners could intend to hold securities distributed in-kind for a different time period than the Adviser deems suitable for the Client.

General Tax Considerations: Clients are generally expected to be treated as pass-through vehicles for U.S. federal income tax purposes. Investments in Clients give rise to a variety of complex U.S. federal income tax, non-U.S. income tax and other tax issues for both tax-exempt and non tax-exempt investors.

Cyber Security Incidents and Risks: The Adviser, its Clients, and their portfolio companies and service providers to the Adviser, rely on the Internet, computer networks, and various software and hardware ("IT Systems") for current and planned and internal and external-facing operations. IT Systems and the

confidential information, personal information, financial information, and other proprietary or nonpublic information the Adviser, its Clients, each Client's portfolio companies or third-party vendors store, transmit, and otherwise process (collectively, the "**Information**") are subject to cybersecurity threats, risks and vulnerabilities, including through social engineering/phishing, malware (including ransomware), malfeasance by insiders, human or technological error, and vulnerabilities in software (including malicious code) that is integrated into IT Systems, products or services. While the Adviser has taken steps to protect its IT Systems and Information, threat actors are increasingly sophisticated and using advanced tools and techniques (including artificial intelligence) to circumvent security controls, evade detection and delete forensic evidence, which impacts the Adviser's ability to timely and effectively detect, investigate, mitigate and recover from attacks and incidents. The Adviser also engages third parties to perform various functions, and we cannot control their actions entirely.

While the Adviser has not suffered any cybersecurity incidents that have resulted in, or are expected to result in, a material impact to the Adviser's operations or financial results, the Adviser, a Client or portfolio companies could experience cybersecurity incidents in the future that have a material adverse impact on their business or operations. A security incident has the potential to result in significant costs and liability, including legal claims or proceedings, regulatory investigations and enforcement actions, fines and penalties, increased preventative and protective costs, significant incident response, system restoration or remediation and compliance costs, reputational or brand damage, loss of investors, and the loss of liquidity. Any of the foregoing has the potential to materially impact the Adviser's business prospects or financial position, as well as each Client's ability to achieve its investment objectives or conduct its operations. Finally, there is no guarantee that any costs and liabilities will be covered by the Adviser's existing insurance policies or that applicable insurance will be available to the Adviser in the future on economically reasonable terms or at all.

Business Continuity Plans: In the event of unforeseen catastrophic events such as natural disasters, terrorist attacks and epidemics, the Adviser will initiate its business continuity plan to safeguard that its employees have the resources and technology necessary to continue their responsibilities and borrower and investor needs. The business continuity plan is tested to ensure that appropriate measures are put in place to manage any such catastrophic events. However, the Adviser is not able to predict the level of disruption that such catastrophic events could have on its operation or the ability of the plan to succeed in a time of crisis. Thus, its business continuity plan may be insufficient to continue operating the Adviser's business as usual. The failure of the business continuity plan for any reason could cause significant interruptions in the General Partner's, the Adviser's or a Client's operations.

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 by third party service providers, including prime brokers, third-party administrators, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems could be subject to certain defects, failures or interruptions. For example, the Adviser and its clients 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 clients' operations. In addition, despite certain measures established by the Adviser and third-party service providers to safeguard information in these systems, the Adviser, clients and their third-party service providers are subject to risks associated with a breach in cybersecurity which could 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 could lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.

Investments with Co-Investors: Certain Clients could co-invest in one or more investments with strategic investors, lenders, limited partners (or affiliates thereof) and/or other third parties through joint ventures or

other entities, which parties in certain cases could have different interests or superior rights to those of a Client or other investors. Clients may not have control rights over certain of its investments and, therefore, could have a limited ability to protect its position therein. In addition, a Client's investments will be subject to typical risks in connection with third-party involvement, including the possibility that a third-party could have financial difficulties resulting in a negative impact on such investment, could have economic or business interests or goals that are inconsistent with those of the Client, or could be in a position to take (or block) action in a manner contrary to a Client's investment objectives. Clients could also in certain circumstances be liable for the actions of its third-party partners or co-investors. Investments made with third parties in joint ventures or other entities could involve carried interests or fees payable to such third-party partners or co-investors, thereby reducing the distributions to a Client. In addition, such co-investments may or may not be on substantially the same terms and conditions as a Client, and such different terms may be disadvantageous to a Client, or to any investor participating directly or indirectly therein.

Diverse Investor Group: The various types of investors in a Fund, including the General Partner and its affiliates, generally have conflicting investment, tax and other interests with respect to their investment in such Fund. When considering a potential investment, the General Partner will generally consider the investment objectives of the Fund, as a whole, not the investment objectives of any investor individually, but, could take into account the tax or other status of one group or type of investors and not others. The General Partner and the Adviser could make decisions, including with respect to tax matters, from time to time that could be more beneficial to one type of investor (or former investor) than another, or to the General Partner and its affiliates than to investors unaffiliated with the General Partner. Conflicts of interest could arise in connection with decisions made by the General Partners, including with respect to the nature or structuring of investments or dispositions, that could be more beneficial for one investor and/or portfolio company than for another investor and/or portfolio company.

Banking System Volatility: The U.S. banking system has recently experienced, and continues to experience, significant volatility resulting from, in large part, the closure of certain U.S. banks. While neither the Manager nor the Fund had or has any banking relationships with the banks subject to closure, similar events at other U.S. or international banks could increase the Manager's and the Fund's costs, negatively impact the Fund's ability to execute on pending transactions, including with respect to the ability to draw down amounts under credit facilities, and divert the Manager's time, attention and resources away from the pursuit of the Fund's investment strategy. These closures, and any additional closures that could occur within the banking system, have resulted and could continue to result in significant financial distress in the markets, which could exacerbate the normal risks associated with the Fund. Furthermore, these closures could lead to financial system and participant regulatory reform, and such increased regulatory oversight could impose additional administrative burdens on the Manager and the Fund. The foregoing could materially adversely impact the Fund's operations and its ability to realize its investment objectives in a timely manner. It is currently unclear what the ultimate effect of the situation will be on the private equity industry and global markets as a whole.

Certain Risks Relating to Investments in Energy Infrastructure and Related Assets

The following risks are applicable to the types of investments made or expected to be made by Clients. For a more detailed discussion of the specific risks associated with each Client and its underlying investments, please refer to each Client's respective governing documents, which should be read fully in order to understand all applicable risks.

Nature of Investments in Energy Infrastructure and Related Assets Generally: Investment in energy and telecommunications infrastructure assets involves many significant, relatively unique and acute risks. Revenues can be affected by a number of factors, including, without limitation, economic 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 energy and telecommunications infrastructure assets could adversely affect the overall profitability of a portfolio investment. For example, infrastructure assets may be affected by the prevailing prices of related commodities, such as oil, gas, and coal. Events outside the control of a portfolio investment, such as political action (including but not limited to the United States presidential election outcome and BREXIT risks), governmental regulation, demographic changes, economic growth, increasing fuel prices, government macroeconomic policies, toll, tariff and other fee rates, social stability, natural disasters (such as fire, flood, earthquakes and tornadoes), changes in weather, the spread of disease or illness, changes in demand for products or services, bankruptcy or financial difficulty of a major customer, and acts of war, terrorism or piracy, could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining, or restoring energy or infrastructure facilities. In turn, this could impair a portfolio investment's returns to a Client or even result in termination of an applicable concession or other agreement.

As a general matter, the operation and maintenance of infrastructure assets involve various risks, many of which may not be under the control of the Adviser, 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 assets may be insured to protect against certain risks (such as business interruption insurance that is intended to offset loss of revenues during an operational interruption), where available on reasonable commercial terms, such insurance generally is subject to customary deductibles and coverage limits and may not be sufficient to recoup all of a portfolio investment's losses. Furthermore, once portfolio 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.

Additional Capital: Certain of a Client's portfolio investments, especially those in a development phase, may be expected to require additional financing to satisfy their working capital requirements or acquisition strategies. The amount of such additional financing needed will depend upon the maturity and objectives of the particular portfolio investment. If the financing provided is not sufficient for the intended purpose, a portfolio investment may have to raise additional capital at a price unfavorable to the Client. In addition, a Client may make additional debt and equity investments or exercise warrants, options, or convertible securities that were acquired in the initial investment in such asset in order to preserve the Client's proportionate ownership when a subsequent financing is planned, or to protect the Client's portfolio investment when such portfolio investment's performance does not meet expectations, all of which may require additional capital. The availability of capital is generally a function of market conditions that are beyond the control of the Adviser, a Client or any portfolio investment. There can be no assurance about the ability to predict accurately the future capital requirements necessary for the success of portfolio investments or that additional funds will be available from any source.

Operations and Maintenance Risk: The operations of energy and telecommunications infrastructure projects are exposed to unplanned interruptions caused by significant catastrophic events, such as wars, cyclones, earthquakes, landslides, floods, explosions, fires, terrorist attacks, major plant breakdowns, pipeline or electricity line ruptures, or other disasters. Operational disruption, as well as supply disruption, could adversely impact the cash flows available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in temporary or permanent loss of customers, substantial litigation or penalties for regulatory or contractual non-compliance. Moreover, any loss from such events may not be recoverable under relevant insurance policies. Business interruption insurance is not always available, on reasonable commercial terms or at all, to protect the business from these risks. Industrial action involving employees or third parties may disrupt the operations of energy infrastructure projects. Energy and telecommunications infrastructure projects are exposed to the risk of accidents that may give rise to personal injury, loss of life, damage to property, disruption to service, and economic loss.

Investments in the Energy Sector Generally: The Adviser expects that its Clients will make certain investments in and relating to 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 acts of God, fire, flood, earthquakes, tornadoes and other natural disasters, war and 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 Client. In addition, the energy sector has experienced significant volatility at times, which may also occur in the future, and which could negatively affect the returns on any investment made by a Client in this sector.

Electricity generation and related infrastructure investments may be subject to extensive non-U.S. and U.S. federal, state, and local energy laws and regulations in the U.S. and other jurisdictions where portfolio companies are located, including, without limitation, in the U.S., the Federal Power Act (“**FPA**”), the Energy Policy Act of 2005, the Public Utility Holding Company Act of 2005 (“**PUHCA**”), and the Public Utility Regulatory Policies Act. Changes in applicable energy laws or regulations, or in the interpretations or administration of these laws and regulations, may result in increased compliance costs or the need for additional capital expenditures. If a portfolio investment fails to comply with these requirements, it may be subject to civil or criminal liability and the imposition of fines.

Under the FPA, the Federal Energy Regulatory Commission (“**FERC**”) regulates wholesale sales of electricity and the transmission of electricity in interstate commerce by “public utilities” (as defined under the FPA) and places constraints on the conduct of their business. In addition, such businesses are subject to regulation by state agencies. Prior FERC or state approvals may be required before investing in regulated public utilities.

Assets in this sector may also face regulatory risk imposed by various transmission providers and operators. Transmission providers have FERC-approved tariffs that govern access to their transmission systems, and these tariffs may contain provisions that limit access to the transmission grid or allocate scarce transmission capacity in a particular manner.

Investments in the Utility Industry Generally: Clients may make certain investments in and relating to the utility asset class. In many regions, including the United States, the electric utility industry is experiencing increasing competitive pressures, primarily in wholesale markets, as a result of consumer demands, technological advances, greater availability of natural gas and other factors. In response, for example, FERC has proposed regulatory changes to increase access to the nationwide transmission grid by utility and non-utility purchasers and sellers of electricity; similar actions are being taken or contemplated by regulators in other countries. A number of countries, including the U.S., are considering or implementing methods to introduce, promote, and retain competition. 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 in which a Client may invest may come under increasing pressure. Deregulation is fueling the current trend toward consolidation among domestic utilities, but also the disaggregation of many vertically integrated utilities into separate generation, transmission and distribution businesses. As a result, additional significant competitors could become active in the independent power industry.

PUHCA provides that any entity that owns, controls or holds power to vote 10% or more of the outstanding voting securities of a “public utility company” (which is defined to include an “**electric utility company**”) or a company that is a “holding company” of a public utility company or public utility holding company, is subject to certain regulations granting FERC access to books and records and oversight over certain affiliate transactions. Furthermore, state public utility commissions in the U.S. have historically had broad authority to regulate both the rates charged by, and the financial activities of, electric utilities that sell electricity at retail and other public utilities that provide utility service to the public. There can be no assurance that any such regulatory oversight will not prove overly burdensome on an investment by a Client in the utility asset class.

Interconnection and Delivery Risk: Portfolio investments in electric utilities may deliver energy to off-takers by interconnecting to the transmission network and may have interconnection agreements in place to do so. In order to be connected to a transmission network, a portfolio company may be required to meet certain technical specifications. If a portfolio company does not meet, or ceases to comply with, these specifications, such portfolio company will not be able to connect to, or remain connected to, the transmission network. A portfolio company may also incur liabilities and penalties, including disconnection from the network, if the transmission of electricity does not comply with applicable technical requirements. A portfolio company also faces the risk that its ability to deliver energy consistent with expectations could become constrained due to failure of the interconnection provider to complete any necessary system upgrades within the timeframe contemplated. Additionally, due to the way interconnection lines are managed, the required system upgrade costs are not yet fully known and it is possible these costs could be higher than anticipated. In addition, pursuant to interconnection agreements, the transmission owners and/or operators may retain the right to interrupt or curtail transmission deliveries as required in order to maintain the reliability of the transmission network. As such, portfolio companies may face curtailment of output due to system congestion, outages, technical incidents or other circumstances impacting transmission network operations, and transmission owners and/or operators may fail to meet contracted obligations or terminate affected contracts. Any such curtailment of output could adversely affect the cash flows of a portfolio investment. Transmission owners also will not usually compensate electricity generators, including portfolio companies, for lost income due to any congestion, network outages or other technical incidents. In addition, if a portfolio company fails to meet the milestones in the interconnection process, such portfolio company may lose its position in the transmission planning queue, which may result in significantly increased cost and delay.

Cyclical of Energy Sector: Industries within the energy sector are cyclical with fluctuations in commodity prices and demand for, and production of, commodities driven by a variety of factors. The highly cyclical nature of the industries within the energy sector may lead to volatile changes in commodity prices, which may adversely affect the earnings of energy-related assets in which a Client may invest and the performance and valuation of a Client’s portfolio. World energy markets are currently experiencing a range of challenges that may remain in place or grow in intensity throughout the life of a Client. Such challenges include depressed and/or volatile commodity prices; variations in commodity production and importation in certain relevant markets; competing technologies that impact consumer demand for one or more commodities; and the effect of domestic and foreign regulation of commodity production and consumption. Oil prices have undergone a significant and sustained decline since the peak in 2014. The declines in worldwide oil prices have had a significant impact on the financial performance of companies in this sector of the economy, and as a result demand for new products and services has declined severely during and since 2015 as they have sought to reduce expenditures. While the Adviser believes its Clients are well-positioned to succeed in the current market environment and meet their investment objectives, there can be no assurance that such challenges will not adversely affect the performance and returns of any portfolio investment or any Client.

Midstream Risks: Midstream assets that provide crude oil, refined product and natural gas services are subject to supply and demand fluctuations in the markets they serve, which will be impacted by a wide range of factors, including: fluctuating commodity prices; weather; increased conservation or use of alternative fuel sources; increased governmental or environmental regulation; depletion, rising interest rates; declines in domestic or foreign production; accidents or catastrophic events; and economic conditions, among others. Pipeline businesses are subject to the demand for natural gas, natural gas liquids, crude oil or refined products in the markets they serve, changes in the availability of products for gathering, transportation, processing, or sale due to natural declines in reserves and production in the supply areas serviced by the businesses' facilities, sharp decreases in crude oil or natural gas prices that cause producers to curtail production or reduce capital spending for exploration activities and environmental regulation. Demand for gasoline, which accounts for a substantial portion of refined product transportation, depends on price, prevailing economic conditions in the markets served and demographic and seasonal factors. Companies that own interstate pipelines that transport natural gas, natural gas liquids, crude oil, or refined petroleum products are subject to regulation by FERC with respect to the tariff rates they may charge for transportation services. An adverse determination by FERC with respect to the tariff rates of such a company could have a material adverse effect on its business, financial condition, results of operations and cash flows of those companies and their ability to pay cash distributions or dividends. In addition, FERC has a tax allowance policy, which permits such companies to include in their cost of service an income tax allowance to the extent that their owners have an actual or potential tax liability on the income generated by them. If FERC's income tax allowance policy were to change in the future to disallow a material portion of the income tax allowance taken by such interstate pipeline companies, it would adversely impact the maximum tariff rates that such companies are permitted to charge for their transportation services, which would in turn adversely affect the results of operations and cash flows of those companies and their ability to pay cash distributions or dividends to their unit holders or shareholders. Gathering and processing companies are subject to: natural declines in the production of oil and natural gas fields that utilize gathering and processing facilities as a way to market their production; prolonged declines in the price of natural gas or crude oil, which curtail drilling activity and therefore production; and declines in the price of natural gas liquids and refined petroleum products, which cause lower processing margins. In addition, some gathering and processing contracts subject the gathering or processing company to direct commodities price risk.

Upstream Risks: Exploration, development, and production companies are particularly vulnerable to declines in the demand for and prices of crude oil and natural gas. Reductions in prices for crude oil and natural gas can cause a given reservoir to become uneconomic for continued production earlier than it would if prices were higher, resulting in the plugging and abandonment of, and cessation of production from, that reservoir. In addition, lower commodity prices not only reduce revenues but also can result in substantial downward adjustments in reserve estimates. The accuracy of any reserve estimate is a function of the quality of available data, the accuracy of assumptions regarding future commodity prices and future exploration and development costs and engineering and geological interpretations and judgments. Different reserve engineers may make different estimates of reserve quantities and related revenue based on the same data. Actual oil and gas prices, development expenditures and operating expenses will vary from those assumed in reserve estimates, and these variances may be significant. Any significant variance from the assumptions used could result in the actual quantity of reserves and future net cash flow being materially different from those estimated in reserve reports. In addition, results of drilling, testing and production and changes in prices after the date of reserve estimates may result in downward revisions to such estimates. Substantial downward adjustments in reserve estimates could have a material adverse effect on a given exploration and production company's financial position and results of operations. In addition, due to natural declines in reserves and production, exploration and production companies must economically find or acquire and develop additional reserves in order to maintain and grow their revenues and distributions.

Downstream Risks: Downstream companies are businesses engaged in refining, marketing, and other "end-customer" distribution activities relating to refined energy sources, such as: customer-ready natural

gas, propane and gasoline; the production and manufacturing of petrochemicals including olefins, polyolefins, ethylene, and similar co-products as well as intermediates and derivatives; and the generation, transmission, and distribution of power and electricity. In addition to the other risks described herein, downstream companies may be more susceptible to risks associated with reduced customer demand for the products and services they provide.

Litigation Involving Management of Infrastructure Assets: The Adviser reserves the right to engage one or more third parties to manage certain Clients' portfolio investments under management agreements that are negotiated with each such party. Such parties generally make no assurances to a Client that their management activities will result in any particular level of income or return of initial capital to that Client, although some of these agreements may contain provisions that permit a Client to terminate them if certain performance metrics are not met during relevant time periods. As the number of portfolio investments that is managed by third parties increases, the possibility that a Client may be drawn into litigation and/or arbitration relating to these managed assets may also increase. If the Adviser decides to terminate a manager of a portfolio investment, a Client may be required to pay termination fees or litigation costs in connection with a dispute over such termination. Although a Client's management agreements may contain contractual protections and indemnities that are designed to limit its exposure to such litigation, such provisions may not be effective and a Client may be subject to a significant loss in a successful litigation by a third-party manager.

Regulatory Approvals and Consents: A Client may not receive the initial regulatory approval which may be needed to acquire a particular portfolio investment, including after substantial costs have been incurred pursuing such portfolio investment. Additional or unanticipated regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances, or similar actions, may be required to acquire energy infrastructure assets, and additional approvals may become applicable in the future due to a change in laws and regulations, a change in such portfolio investment's customers or for other reasons. Furthermore, permits or special rulings may be required on taxation, financial and regulatory related issues. There can be no assurance that each portfolio investment will be able, without significant cost or at all, to obtain all required regulatory approvals that it does not yet have or that it may require in the future; obtain any necessary modifications to existing regulatory approvals; or 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 investment and a Client.

CFIUS Risks: A Client may engage in transactions in connection with which regulatory filings by that Client, including a filing with CFIUS, may be required or advisable. CFIUS is an inter-agency committee authorized to review transactions that could result in control of a U.S. business by a foreign person, in order to determine the effect of such transactions on the national security of the United States. CFIUS has broad authority to review, investigate and/or block any such transaction. A review or investigation by CFIUS of a transaction by a Client could lead to a delay or termination of such transaction. Any such development may adversely affect the consummation of a portfolio investment and/or the returns of that Client.

Sale-Leaseback Transactions: A Client may enter into sale-leaseback transactions, whereby it would purchase an asset and then lease the same asset back to the seller from which a Client purchased it. In the event of the bankruptcy of a seller, a transaction structured as a sale-leaseback may be re-characterized as either a financing or a joint venture, either of which outcomes could adversely affect that Client. If a sale-leaseback were re-characterized as a financing, a Client might not be considered the owner of the asset, and as a result would have the status of a creditor in relation to the seller. In that event, a Client would no longer have the right to sell or encumber its ownership interest in the asset. Instead, the Client would have a claim against the seller for the amounts owed under the lease, with the claim arguably secured by the asset. The

seller might have the ability to propose a plan restructuring the term, interest rate and amortization schedule of its outstanding balance. If confirmed by the bankruptcy court, a Client could be bound by the new terms, and prevented from foreclosing its lien on the asset. If the sale-leaseback were re-characterized as a joint venture, a Client could be treated as a co-venturer with its lessee with regard to the property. As a result, a Client could be held liable, under some circumstances, for debts incurred by the lessee relating to the asset. Either of these outcomes could have an adverse effect on the Client.

Rising Fuel Costs: Fuel prices and supplies are influenced significantly by international, political, and economic circumstances. If fuel supply shortages or unusual price volatility were to arise for any reason, the resulting higher fuel prices may increase the costs associated with operating certain of a Client's portfolio investments.

Commodity Price Risk: Some portfolio investments may be subject to commodity price risk, including, without limitation, the price of electricity and the price of fuel. The operation and cash flows of any portfolio investment may depend, in some cases to a significant extent, upon prevailing market prices for energy commodities (such as oil, gas, coal and power). Commodity prices have been, and are likely to continue to be, volatile and subject to wide fluctuations in response to any of the following factors: relatively minor changes in the supply of and demand for oil, gas, or coal; market uncertainty; political conditions in international commodity producing regions; the extent of domestic production and importation of oil, gas, or coal in certain relevant markets; the level of consumer demand; the price of steel and the outlook for steel production; weather conditions; the competitive position of oil, gas or coal as a source of energy as compared with other energy sources; the industry-wide refining or processing capacity for oil, gas or coal; the effect of United States and foreign federal, state, and local regulations on the production, transportation and sale of commodities; the expected consumption of coking coal in steel production; and the amount and character of excess electric generating capacity in a market area. The market prices of electricity and fuel may fluctuate materially depending upon a wide variety of factors, including, without limitation, weather conditions, foreign and domestic market supply and demand, force majeure events, changes in law, governmental regulations, price and availability of alternative fuels and energy sources, international political conditions, including those in the Middle East, the actions of OPEC and other oil- and natural gas-producing nations, and overall economic conditions. Declines in worldwide oil prices and changes in energy-related infrastructure, including shale-related reserves, the collapse of OPEC and the emergence of Iran as a producer, have had a significant impact on the financial performance of companies in this sector of the economy in 2016 and could influence the prices and viability of some portfolio investments.

Governmental and Regulatory Risks Generally: In many instances, the operation or acquisition of energy infrastructure assets involves an ongoing commitment to or from a governmental agency. The nature of these obligations and dependencies exposes the owners of infrastructure assets to a higher level of regulatory control than typically imposed on other businesses. Where a portfolio investment involves a concession or lease from the government or agency thereof, the concession or lease may restrict such portfolio investment's ability to operate in a way that maximizes cash flows and profitability. The lease or concession may also contain clauses more favorable to the government counterparty than a typical commercial contract. For instance, the lease or concession may enable the government to terminate the lease or concession in certain circumstances without requiring payment of adequate compensation. Governmental entities have considerable discretion to change or increase regulation of the operations of the transportation or infrastructure assets or to implement laws, regulations or policies affecting their operations, separate from any contractual rights that the government counterparties may have.

Public Demand and Usage: Even though the Adviser will generally target assets which are anticipated to be subject to lower risk of declining demand, usage and patronage, the Adviser may not be able to eliminate these risks. To the extent that the Adviser's or its affiliates' assumptions regarding the demand, usage, and patronage of assets prove incorrect, a Client's financial returns could be adversely affected. Also, some

portfolio investments may be subject to seasonal variation. Accordingly, the operating results for certain portfolio investments in any particular quarter may not be indicative of the results that can be expected for such portfolio investments throughout the entire year.

Bypass Risk: Bypass risk arises where a change could occur in the way an infrastructure service or product is delivered, rendering it obsolete and allowing a competitor or user of such service or product to bypass it. If the portfolio investments are subject to bypass, they may lose revenues and cash flows may be adversely impacted. Further, if a change were to occur that made any infrastructure assets obsolete, such infrastructure assets may have very few, if any, alternative revenue generating uses.

Potential Environmental Liability: Certain of a Client's assets may be subject to federal, state, local, and foreign laws and regulations relating to the protection of the environment, including those regulating discharges to air and water, health and safety and the use, transportation, and disposal of hazardous substances. Under various non-U.S. and U.S. federal, state, and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on, in or attributable to such property and for other violations of environmental laws. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances or such violation. The cost of any required remediation and the owner's liability therefor as to any property are generally not limited under such enactments and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, the failure to properly remediate contamination from such substances or the existence of such violation, may adversely affect a Client's ability to sell real estate that it acquires, either as an equity investment or through foreclosure on a loan investment, or to borrow using such property as collateral. Further, a Client's business may involve the transportation of hazardous materials. An accidental release of hazardous materials could result in significant loss of life and extensive property damage. The costs associated with an accidental release could have a material adverse effect on a Client's results of operations, financial condition or liquidity. While the Adviser intends to maintain insurance and require lessees to indemnify a Client or the applicable portfolio investments against certain losses, such insurance and indemnities may not cover or be sufficient to protect the Client or such portfolio investments against losses arising from environmental damage.

Documentation and Legal Risks: Energy infrastructure assets, and investments therein or financing thereof, are often governed by a complex series of legal documents and contracts. As a result, the risk of dispute over interpretation or enforceability of the documentation may be higher than for other investments. In addition, it is not uncommon for infrastructure assets to be exposed to a variety of other legal risks. These can include, but are not limited to, environmental issues, land expropriation and other property-related claims, industrial action, and legal action from special interest groups.

Land Title Risk: Certain portfolio investments may require large areas of land to install and operate equipment and associated infrastructure. The rights to use the necessary land may be obtained through freehold title, easements, leases and other rights of use. Different jurisdictions adopt different systems of land title, and in some jurisdictions it may not be possible to ascertain definitively who has the legal right to enter into land tenure arrangements with portfolio companies. In addition, the grantor's fee interests in the land that is the subject of such easements and leases are or may become subject to mortgages securing loans, other liens (such as tax liens) and other lease rights of third parties (such as leases of oil, gas, coal, or other mineral rights). As a result, a portfolio company's rights under such leases or easements are or may be subject and subordinate to the rights of third parties. It is also possible that a default by the grantor under any mortgage could result in a foreclosure on the grantor's interest in the property and thereby terminate the portfolio company's right to the leases and easements required to operate such portfolio company. Similarly, it is possible that a government authority, as the holder of a tax lien, could foreclose upon a parcel and take possession of the portion of the portfolio company located on such parcel. The

rights of a third party pursuant to a superior lease (such as leases of oil, gas, coal, or other mineral rights) could also result in damage to or disturbance of the physical assets of a portfolio investment or require relocation of portfolio company assets. If any portfolio companies were to suffer the loss of all or a portion of their underlying real estate interests or equipment as a result of a foreclosure by a mortgagee or other lienholder of a land parcel, or damage arising from the conduct of superior leaseholders, such portfolio company's operations and revenues may be adversely affected.

Construction Risk: In connection with any new development project, expansion of a facility or acquisition of a facility in late-stage development, whether domestic or cross-border, a portfolio investment may also face construction risks typical for businesses, including, without limitation: labor disputes, shortages of material and skilled labor or work stoppages; slower than projected construction progress and the unavailability or late delivery of necessary equipment; less than optimal coordination with public utilities in the relocation of their facilities; adverse weather conditions and unexpected construction conditions; accidents or the breakdown or failure of construction equipment or processes; catastrophic events, such as explosions, fires and terrorist activities, and other similar events beyond a Client's or applicable portfolio investment's control; and in the case of cross-border development and transactions, the intervention or lack of any requisite approval or consent from a foreign governmental entity, as well as logistical difficulties associated with the movement of capital and equipment across international borders. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken, any of which could have an adverse effect on a Client. Construction costs may exceed estimates for various reasons, including inaccurate engineering and planning, labor, and building material costs in excess of expectations and unanticipated problems with project start-up. Delays in project completion can result in an increase in total project construction costs through higher capitalized interest charges and additional labor and material expenses and, consequently, an increase in debt service costs and insufficient funds to complete construction. Delays may also result in an adverse effect on the scheduled flow of project revenues necessary to cover the scheduled operations phase debt service costs, lost opportunities, increased operations and maintenance expenses, and damage payments for late delivery.

Portfolio investments under development or portfolio investments acquired to be developed may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that make such portfolio investments less attractive than at the time they were commenced. In addition, there are risks inherent in construction work that may give rise to claims or demands against a portfolio investment from time to time.

Labor Intensive Business: The development of energy infrastructure projects is generally a labor intensive business. The ability of project developers to maintain productivity and profitability in relation to a project is limited by their ability to employ, train, and retain the necessary skilled personnel. The commencement of new, large-scale infrastructure projects or increased demand for infrastructure improvements, as well as the aging electric utility workforce, may also further reduce the pool of skilled workers available. In the oil and gas infrastructure sector, there is limited availability of experienced supervisors and foremen that can oversee large mainline pipe projects. A shortage in the supply of these skilled personnel creates competitive hiring markets and may result in increased labor expenses.

Development Risks: Successful development of new or expansion projects entails a variety of risks (some of which may be unforeseeable at the time a project is commenced) and may require the involvement of a broad and diverse group of stakeholders who will either directly influence or potentially be capable of influencing the nature and outcome of the project. Such characteristics may include: political or local opposition; receipt of regulatory approvals or permits; site or land procurement; environmentally related issues; construction risks and delays; labor disputes; counterparty non-performance; project feasibility

assessment; and dealings with and reliance on third party consultants. When making a portfolio investment, value may be ascribed to potential development projects that do not achieve successful implementation, potentially resulting in lower than expected returns to a Client.

Project Performance Issues: Many energy infrastructure projects involve challenging engineering, permitting, procurement and construction phases that may occur over extended time periods, sometimes over several years. A Client, or its portfolio companies may encounter difficulties as a result of delays in design, engineering information or materials provided by the customer or a third party, delays or difficulties in equipment and material delivery, schedule changes, delays due to the project developer or a customer's failure to timely obtain permits or rights of way or meet other regulatory requirements or permitting conditions, weather-related delays, and other factors, many of which are beyond the control of the Adviser, the Client, the portfolio company or the relevant project developer, that can negatively impact the portfolio company's ability to complete the project and in accordance with the original delivery schedule. Also, as the Adviser seeks to participate in larger projects, Clients may face additional performance risks due to the larger and more complex work involved. The bidding processes for larger projects can also be longer and more complex, often taking six to nine months. Further, regulatory and permitting delays on larger projects tend to be more challenging and cause more uncertainty as to project timing.

Real Estate Risks: Some of a Client's portfolio investments may be subject to the risks inherent in the ownership and operation of assets or businesses that derive a substantial amount of their value from real estate and real estate-related interests. These types of underlying interests are typically illiquid. Deterioration of real estate fundamentals will likely negatively impact the performance of such portfolio investments. Such changes in fundamentals could involve fluctuations as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in environmental and zoning laws, casualty or condemnation losses, environmental liability, regulatory limitations on rents, changes in neighborhood values, changes in the appeal of properties to tenants, the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, natural disasters, an increase in interest rates, and other factors that are beyond the control of the Adviser, a Client or applicable portfolio investment. Additionally, a Client may acquire assets in jurisdictions where indigenous rights (e.g., with respect to tribes or other dispossessed people/communities) to land exist and where such rights vary in their scope and potential impact on the Adviser's ability to consummate transactions. While the Adviser generally will conduct due diligence in such jurisdictions to determine the extent to which it may be affected by such rights, it may not be possible to mitigate against or eliminate any or all risks associated with indigenous claims. Additionally, any declaration of title in respect of government protected land on which infrastructure assets are located may

Conflicts of Interest

The Adviser and its affiliates engage in a broad range of advisory activities, including investment activities for their own account and for the account of their Clients, and providing transaction-related, legal, management and other services to Clients and their underlying portfolio investments. The Adviser and Principals will devote such time, personnel and internal resources as are necessary to conduct the business affairs of each Client in an appropriate manner, as required by the relevant Client's governing documents, although Clients and their respective investments will place varying levels of demand on these over time.

Please refer to *Item 11* below for additional information relating to these risks and how the Adviser generally addresses such conflicts of interests.

C. Recommendations of Particular Securities

Please see *Items 8.A* and *8.B* for risks associated with investments in a Client. In addition, prospective investors are provided with more detailed information about risks before they invest in any Client in the private offering materials and governing agreements for such Client.

Item 9 – Disciplinary Information

There are no legal or disciplinary events that are material to a Client's or prospective client's evaluation of the Adviser's advisory services or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

- A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. First Infrastructure Capital Advisors, LLC has certain relying advisers, as identified on its Form ADV Part 1A – Schedule R, and certain affiliated general partners, as identified on its Form ADV Part 1A – Schedule D. These affiliates operate as a single advisory business, are under common control, and are subject to one set of code of ethics and compliance programs adopted pursuant to the requirements of the Advisers Act. Other than these affiliated entities, First Infrastructure Capital Advisors, LLC has no relationships or arrangements with any related person listed in the instructions to *Item 10.C*. that are material to its advisory business or to its Clients.

The General Partners, the Adviser and their respective affiliates are likely to encounter conflicts of interest in connection with the Clients' interests, assets or activities (including certain conflicts of interest as among the interests of different investment vehicles or accounts). On any issue involving conflicts of interest, the General Partners and their affiliates will be guided by their respective good faith judgment as to the Clients' best interests (although the best interests of different Clients could sometimes be inconsistent or in conflict with one another). In certain circumstances, the General Partners will present conflicts of interest for approval of the Client or its respective Advisory Committee, as applicable. Certain conflicts of interest are identified in *Item 11* below and discussed in more detail in the applicable Client's governing documents.

Mr. Aghili serves as managing partner for FICA and each of Mr. Aghili and Ms. Freihofer serve as managing partners for EBC. Both FICA and EBC sponsor and manage multiple Funds, SIVs and other Client accounts, some of which may hold the same investments or similar investments and therefore, expect to have interests that conflict with those of other Clients. Each Principal faces competing demands and could have an incentive to favor certain Clients over others, including with respect to the allocation of investment opportunities, presenting certain follow-on investment opportunities to certain Clients over others, and the allocation of shared costs and expenses. Further, certain Clients could compete with each other or with other Clients' portfolio companies or projects, which could adversely affect a Client's investment performance. Please refer to *Item 11* for a more detailed discussion of risks associated with such conflicts.

With respect to the allocation of shared Adviser-level expenses by and between EBC, FICA and their respective affiliates, FICA will bear shared costs and expenses up to a designated amount as agreed upon between each EBC and FICA. Expenses incurred in excess of such amount will be borne and/or reimbursed by EBC (as applicable), in each case, in accordance with the Adviser's policies and procedures. Whether certain costs constitute shared Adviser-level fees and expenses will be determined by the Adviser in a manner that it believes in good faith is fair and equitable to each FICA, EBC and their respective affiliates under the circumstances and in consideration of such factors as it deems relevant. In exercising such discretion, the Adviser will be faced with a variety of conflicts of interest including, for example, any preliminary determination of whether a particular service or benefit constitutes a shared Adviser-level expenses that should be allocated among one or more advisory entities. To address these conflicts, the Adviser has adopted policies and procedures designed to mitigate these competing interests. Further, EBC will be subject to FICA's control and supervision, including its code of ethics and compliance policies and procedures, as further discussed in *Item 11* below.

- D. Generally, the Adviser does not recommend or select other investment advisers for its Clients. However, pursuant to the governing documents of Clients, the Adviser reserves the right to delegate certain of its functions to affiliated sub-advisers or, with the approval of the Advisory Committee, to third-party sub-advisers. Additionally, pursuant to its investment management agreement with certain corporate Clients the Adviser may not delegate its advisory or management duties to a third party without the prior approval of such Clients.

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

- A. The Adviser has adopted a written Code of Ethics (the “**Code**”) designed to address and avoid conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser's employees. The Code contains policies and procedures that are reasonably designed to ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. The Adviser prohibits personal trading on certain securities or instruments; requires pre-clearance of personal trades in certain circumstances, including purchases of an IPO or a new private placement; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

As part of its Code, the Adviser has established procedures reasonably designed to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non-public information and, therefore, such professionals may not trade on the basis of that information.

The Adviser will provide a copy of the Code to any investor or prospective investor upon request.

- B. It is critical that investors review Client offering and governing documents for a detailed description of potential conflicts of interest related to an investment in such Client. The information contained herein is a summary only, and investors and prospective investors are advised to carefully review all conflicts

of interest set forth in the relevant offering and governing documents, which should be read in their entirety.

The Adviser and its affiliates attempt to resolve any conflicts in good faith and in accordance with any applicable contractual provisions, but there can be no assurance that conflicts of interest or actions taken by the Adviser or its affiliates in attempting to resolve such conflicts of interest will not have an adverse effect on any one or all Clients and/or indirectly on investors. There can be no assurance that the return of a Client participating in a transaction would be equal to and not less than another Client participating in the same transaction or that it would have been as favorable as it would have been had conflicts not existed. Certain transactions involve conflicts of interest between the Adviser and its Clients, or among Clients, as described below.

Relationship Among Clients: The Adviser and its affiliates currently manage, and expect in the future to manage, multiple Clients that pursue investment strategies similar to, overlapping with, or related to the investment strategy of each other, which creates conflicts of interest for allocation of time, resources and investment opportunities. To accommodate the participation by one or more investors (or related group of investors), the Adviser generally reserves the right to establish one or more new Clients. The Adviser cannot assure equal treatment with respect to allocation of time, resources and investment opportunities. Certain Clients will involve different terms and fee structures that incentivize the Adviser to make more (or less) of a particular investment opportunity available to a Client and therefore presents conflicts of interest in respect of the managing and monitoring of such investments and evaluating and executing on disposition opportunities. Conflicts of interest can arise when one Client makes an investment in a portfolio company in conjunction with an investment made by another Client. In such cases, each Client could invest through different investment vehicles, may have different access to credit, employ varying hedging or investment strategies, could have different economic interest or rights, and may have invested on a different investment timeline than each other. This could result in differences in price, investment terms (including with respect to follow-on investments), leverage and associated costs between each invested Client. There can be no guarantee that such Clients will exit such investment at the same time or on the same terms, and there can be no assurance that a Client's return on such an investment will be the same as the returns achieved by the Other Sponsor Vehicle(s) participating in the transaction. In addition, investments and other activities undertaken by the Adviser could affect the existing investments and/or investment opportunities of a Client. For example, any such investment in a particular industry could limit the ability of a Client to pursue other opportunities within the same or related industries. Additionally, portfolio companies in which the Adviser invests are expected to, from time to time, be in the same industry as, and compete with, a Client's portfolio company investments. In such instances, the Adviser will be free, in its discretion, to make recommendations and decisions with respect to the origination or disposition of such investments, independent of the recommendations and decisions made by the Adviser to other Clients. All such recommendations and decisions will be made for a Client in a manner that the Adviser finds, based on its fiduciary duties and contractual obligations, appropriate given the investment objective, liquidity, diversification and other limitations of a Client. The investment personnel of any given General Partner are generally permitted to provide services to other Clients. A Client's General Partner and its affiliates and principals often reserve the right to also manage separate accounts, which accounts may invest in the types of investments pursued by such Client.

Relationship Among Adviser Entities; Outside Business Activities: The Principals and certain key investment personnel (collectively, "**Key Persons**") and the Adviser participate in other activities, including permitted outside business activities which creates conflicts of interest. For example, the Principals each serve as co-managing partners and co-owners of EBC and Mr. Aghili serves as managing partner and owner of FICA, which are each investment advisers that implement similar investment strategies and manage and sponsor investment vehicles that pursue substantially similar

investment opportunities and, in some instances, hold the same investments as each other. Accordingly, the Adviser, its Principals and investment personnel face competing demands and could have an incentive to favor certain advisory Clients over others. In addition, the performance and operation of a Client or portfolio company could conflict with and adversely affect the performance and operation of another Client or portfolio company, and could adversely affect the prices and availability of business opportunities or transactions available to such portfolio companies. Further, in certain circumstances, such other businesses and investments may, in the ordinary course of business, transact with a Client or its portfolio companies, which creates conflicts of interest.

Key Persons are permitted to be involved as an advisor, manager, consultant, advisory board member, investor, partner, member, director, owner, equity holder and/or debtholder in connection with (i) certain portfolio companies and (ii) investment vehicles organized in connection with the making of investments. It is possible that the Adviser, the Key Persons, or their respective affiliates will compete or have clients who compete (as applicable) with Clients and/or their portfolio companies and/or prospective investments. Key Persons and the Adviser's other related persons and employees also reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations, or similar arrangements, and to pay or receive compensation relating to the foregoing. The Adviser's related persons and employees will continue to manage, monitor, and/or control their investments in the above-described vehicles and entities until their realization and will be free, in their discretion, to make recommendations and decisions with respect to the origination or disposition of such investments, independent of the recommendations and decisions made by the Adviser with respect to any Client. These investments generally compete or associate with, or have the potential to compete or be associated with, companies acquired by a Client. To the extent an investment opportunity arises that is unsuitable for a particular Client, the Adviser, in its sole discretion, reserves the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity.

The Adviser will seek to resolve conflicts in a manner that the Adviser determines in its sole discretion to be fair and equitable over time. To address these conflicts, the Adviser has adopted policies and procedures designed to mitigate these competing interests as described above.

Affiliate Transactions: Subject to any limitations set forth in Client governing documents, each General Partner and the Adviser generally reserve the right to enter into cross-transactions on behalf of Clients sponsored or advised by the Adviser, or co-investors or co-investment vehicles, in which a Client buys securities from, or sells securities to, or co-invests with, such other persons. In some cases, a Client's investment could be merged with or into an investment owned by another investment vehicle sponsored by the Adviser or its affiliates. Investments in a portfolio company by more than one Client raise conflicts of interest, including where the assets of one Client support positions taken by other Clients and/or the transactions allow the Adviser or its affiliates to realize carried interest and/or obtain future management fees and/or carried interest with respect to such investments. Such conflicts are heightened when the securities are illiquid or do not have a readily ascertainable value, and no assurances can be made that the price at which such transactions are entered into are representative of the investment's fair value. To the extent required by the relevant fund documents or otherwise in the sole discretion of the applicable Client's General Partner, General Partners can seek to mitigate conflicts by obtaining an opinion of an unaffiliated third party (including the use of a consultant or investment banker at the cost of a Client to opine as to the fairness of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of the Adviser) or by obtaining the consent of the relevant Client to such transactions.

Allocation of Investment Opportunities: From time to time, multiple Clients will compete for limited investment opportunities. The Adviser has differing fee arrangements with its Clients which, in some

circumstances, creates a conflict of interest for the Adviser with regard to the allocation of these opportunities. The Adviser will allocate investment opportunities on a basis that over a period of time is fair and equitable among the Clients, as determined in good faith by the Adviser's investment committee (the "**Investment Committee**") in consideration of those factors it deems relevant, with the support and review of the Adviser's finance department, as described in its Allocation of Investment Opportunities Policy. As a general matter, shared expenses typically will be allocated among the relevant Clients and/or co-investment vehicles obligated to reimburse expenses of that kind. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, ultimately is not consummated, all broken deal expenses relating to such unconsummated transaction will likely be borne entirely by the applicable Client and not by any potential co-investors that were to have participated in such transaction.

In certain circumstances, the Adviser is permitted to determine to alter certain investment allocations to take into account the structure of certain transactions or legal, tax, regulatory or other similar considerations (including applicable investment limitations, availability of capital, applicable contractual obligations, the specific nature and type of the investment, portfolio diversification concerns, the anticipated tax treatment of the investment), as determined by the applicable General Partner in its discretion, which could result in a Client not investing in a particular investment. Moreover, based on such considerations, a Client may invest in different proportions in particular co-investments, may structure its investment in particular co-investments in a manner that differs from the investment structure used by other such Clients or may exit co-investments at different times, on different terms or in different proportions than other such Clients. As a result, the returns of a Client could differ materially. Such differentiation (particularly in the structuring and timing of investments) can lead to conflicts of interest. Conflicts could arise in setting the investment allocation where the differing returns among the vehicles could affect the aggregate amount of carried interest that would be earned by the Adviser. Further, there is an inherent conflict in determining whether a Client should not participate in a particular investment because of the possibility that the investment will incur a significant tax burden, where such tax burden is not borne by the Adviser in calculating the amount of the carried interest.

After the Clients receive full and fair allocation as determined by the Adviser's Allocation of Investment Opportunities Policy, employees and partners are eligible to invest alongside the Clients. If a Cresset Partners' employee or partner wishes to participate in an investment that has been allocated to the Adviser's Clients, the employee or partner must adhere to all reporting and preclearance requirements as enumerated in the Adviser's Code of Ethics.

Allocation of Shared Expenses: The Adviser and its affiliates generally incur fees, costs and expenses on behalf of more than one Client and/or the Adviser or its affiliates. In such instances, the Adviser will determine a fair and equitable method for allocating these costs amongst the relevant parties incurring such expenses, subject to all applicable legal, contractual or similar restrictions. For example, the Adviser reserves the right to choose to allocate based upon the Clients' capital commitment size, amount of invested capital in underlying deals, and/or usage percentages of the service or product incurring such expense, as well as whether all or a portion of a multiple-purpose expense should be viewed as overhead and absorbed by the Adviser and/ or its affiliates. The allocations of such expenses will not always be proportional, and any such determinations involve inherent matters of discretion. The use of any particular expense allocation methodology will at times lead certain Clients to bear relatively more expenses in some cases and less in others compared to what any particular Client would have borne if a different methodology had been used. The Adviser, in its discretion, can revise or change previously determined allocation methodologies to ensure that such expenses remain fairly and reasonably allocated among the Clients, the Adviser and its affiliates (as applicable).

Diverse Investor Interests: The investors in any given Client will be subject to different legal, tax, and regulatory regimes. For example, investors generally will include taxable and tax-exempt entities and will be organized in various jurisdictions. The nature and diversification of the Clients' investments, as well as the manner in which such Clients make, structure, hold and exit such investments could therefore lead to a more favorable legal, tax or regulatory outcome for some investors, while disadvantaging others. In selecting investments appropriate for a Client, the Adviser will consider the investment objectives of the investing Client as a whole, not the investment objectives of any of the underlying Client investors individually. To the extent that the General Partner is able to structure certain investments based in part on investors' respective legal, tax and regulatory constraints, such General Partner will not take into account such considerations as they relate to each individual investor.

Use of Placement Agents or Other Advisors: The Adviser, General Partners and Clients reserves the right to engage one or more placement agents or other advisors in respect of the offering of interests to certain prospective investors. Any such placement agents or advisors would act for the Client, the General Partner or the Adviser, and not as an investment adviser to prospective investors in connection with the offering of Interests. Prospective investors should be aware that a placement agent would be paid a placement fee based upon the amount of capital commitments to a Client by investors that such placement agent introduces to the General Partner or the Client. Any placement agent fees would be borne by the Client, subject to a 100% offset against the amounts payable to the Adviser in respect of the Management Fee. Furthermore, a placement agent or other advisor may seek to do business with and earn fees or commissions from portfolio companies of Clients and affiliates of the General Partners (e.g., in connection with financing or investment banking services, or lending or arranging credit). Accordingly, prospective investors should recognize that each placement agent's participation as a placement agent for the interests and each other advisor's participation as an advisor to the General Partner or the Adviser may be influenced by its interest in such current or future fees and commissions. Prospective investors should also be aware that affiliates or employees of a placement agent or other advisor could invest in a Client on their own behalf and/or on behalf of their clients.

Performance-Based Fees; Carried Interest: As described in *Item 6* above, the existence of carried interest creates an incentive for the Adviser to make riskier or more speculative investments on behalf of a Client than it might otherwise make in the absence of such performance-based compensation. The terms of the carried interest could incentivize the Adviser to make decisions regarding the timing and structure of realization transactions or financings (or re-financings) of investments that may not be in the best interests of investors. For gains attributable to the carried interest to qualify as long-term capital gain for U.S. federal income tax purposes, the holding period for the asset leading to such gains generally must exceed three years. For investors, gains on assets held for more than one year will generally qualify as long-term capital gain. Long-term capital gain recognized by non-corporate U.S. taxpayers is generally subject to U.S. federal income tax at preferential rates. These disparate holding period requirements could lead to conflicts of interest. The Adviser has an incentive to take actions intended to maximize the amount of gains from assets held for more than three years, even though investors will not necessarily derive any additional U.S. federal income tax benefit from the longer holding period. For example, the Adviser will have an incentive to (i) refrain from making investments expected to generate gains within three years, (ii) refrain from selling or engaging in other transactions for investments that would lead to capital gain if the investment has not been held for more than three years or (iii) structure follow-on investments in a manner intended to maximize the amount of gain attributable to a Client's existing interests in such investments. Such actions could reduce the amount realized from a Client's investments and adversely affect the amount and timing of distributions to a Client's investors.

Additionally, the percentage of profits the Adviser is entitled to receive and the terms applicable to such carried interest distributions may be different between Clients. Because the opportunity to receive an amount of carried interest distributions is based on the success of investments made by a Client, to the

extent that the Client's carried interest percentage or terms differ from other Clients, the Adviser could be incentivized to dedicate increased resources and allocate more profitable or more attractive investment opportunities to such other Clients bearing higher carried interest percentages or other more favorable terms.

Conflicts Related to Asset Valuation: The fair value of all Client investments, or of property received in exchange for any investments, will be determined by the General Partner in accordance with such Client's respective governing documents. 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 such investments will be determined by the General Partner in accordance with procedures set forth in the Adviser's Valuation Policy. The exercise of discretion in valuation by a General Partner presents conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees. Notwithstanding the valuation procedures set forth in the Client Agreement, a General Partner has an incentive to value such investments at a higher level in order to enhance performance reporting and to receive a higher management fee or other fees. Further, in connection with a General Partner's discretion in valuing certain assets, such General Partner maintains discretion to determine whether certain assets have experienced an impairment in value. A permanent impairment or write-off of an investment would generally reduce the basis from which the management fee or other fees are calculated. The General Partner therefore has an incentive to hold onto assets or other investments that have poor prospects for improvement and/or to avoid or otherwise delay determining that an investment has been subject to a permanent write-off or impairment in order to receive ongoing management fees and/or other fees in the interim.

Operating Partners: From time to time, the Adviser or one or more of its affiliates are expected to retain or engage pursuant to consulting or similar arrangements (individually and/or through a captive operating partner group or groups) one or more third-party consultants, operating partners, operating advisors, operating directors, policy advisors, senior advisors, or other advisors or professionals to assist the Adviser in sourcing transactions and/or providing consulting, operational or related services to a Client's existing or prospective portfolio companies, as determined by the General Partner and its affiliates (collectively, the "**Operating Partners**"). The Adviser and its affiliates are also permitted to retain such Operating Partners in connection with any other investment fund, vehicle, account or arrangement formed or advised by the Adviser and its affiliates, or their respective portfolio investments and portfolio companies. Operating Partners are also permitted to work with the Adviser and its affiliates on an exclusive or non-exclusive basis. Such relationships give rise to conflicts of interest because each Operating Partner will be entitled to compensation at rates the General Partner and its affiliates believe to be commercially reasonable. However, any such costs or other compensation paid by a Client or a portfolio company to an Operating Partner, including any amounts paid in connection with particular transactions or investments, will not offset or reduce any amount of the Management Fee payable by a Client to the Adviser, which could incentivize the Adviser or General Partner to engage such Operating Partners. In addition, an Operating Partner may also be awarded, as part of their compensation, the right to participate in a portion of the Carried Interest earned in respect of a Client or similar incentive equity in respect of any one or more of a Client's investments or portfolio companies. Operating Partners are also expected to be engaged directly by one or more portfolio companies, pursuant to which such Client would indirectly bear such expenses.

Allocation of Co-Investment Opportunities: From time-to-time, the Adviser will, in its sole discretion, provide or commit to provide co-investment opportunities to one or more investors and/or other persons, in each case on terms to be determined by the Adviser in its sole discretion. Conflicts of interest arise in the allocation of such co-investment opportunities and such allocation decisions may not be in the best interests of a Client or any individual Client investor. In exercising its sole discretion

in connection with such co- investment opportunities, the Adviser is permitted to consider some or all of a wide range of factors, which include the likelihood that an investor may invest in a future fund sponsored by the Adviser or its affiliates. A co-investment by a non-Client investor could give rise to certain risks not present in investments where a third-party is not involved, including the possibility that a third-party co-investor may at any time have economic or business interests or goals that are inconsistent with those of the Client, or may be in a position to take action contrary to the investment objectives of the Client. In addition, the Client may in certain circumstances be liable for actions of its third-party co-investor.

Interpretation of Governing Documents: Governing and offering documents, and related writings, are detailed agreements that establish complex arrangements among the Client, its investors the General Partner, the Adviser and other entities and individuals. Questions will arise from time to time under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While the relevant agreements will be construed in good faith and in a manner consistent with applicable legal obligations, the interpretations adopted will not necessarily be, and need not be, the interpretations that are the most favorable to the Client or its underlying investors.

Outsourcing; Use of Service Providers: The Adviser has, and expects in the future, for certain reasons, including efficiency considerations, to outsource certain services in whole or in part to third parties at the discretion of the Adviser in connection with the operation of a Client. Such outsourced services could include, without limitation, accounting, tax, compliance, trade settlement, information technology or legal services. Such services could be outsourced to individuals who are not employees or affiliates of the Adviser but are consultants who work with the Adviser on an exclusive or partly-exclusive basis. The decision by the Adviser to first perform particular services in house for a Client will not preclude a later decision to outsource such services, or any additional services, in whole or in part to third parties, and the Adviser does not have to inform a Client of such a change. The Adviser expects, from time to time, to engage service providers or other third-party consultants in connection with a Client's investment processes.

Investment Intelligence: As a result of their relation to the Clients and their portfolio companies, the Adviser, Principals and their affiliates expect to accumulate and benefit from information, knowledge, experience, analyses and data relating to the operations, business models and strategy, agreements, trends, market insights, customer data, vendors and service providers of its Clients and their portfolio companies (collectively, "**Investment Intelligence**"), including models, plans, and other resources associated with the Adviser's development of Investment Intelligence. Investment Intelligence will be the sole intellectual property of the Adviser and solely for the use of the Adviser. The Adviser reserves the right to use, share, license, sell or monetize Investment Intelligence, without offset to management fees, and the Client or its portfolio companies will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization.

Material Non-Public Information: Certain personnel of the Adviser and its affiliates expect, from time to time, to acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Clients will not be free to act on any such information. Thus, in certain cases, the Clients will be unable to initiate transactions that they otherwise might have initiated and will be unable to sell investments that they otherwise might have sold, which could harm a Client. Despite the foregoing, the Adviser can determine, in its sole discretion at any time, that such information could impair its ability to effect certain transactions on behalf of a Client, whether for legal, contractual, or other reasons. As a result, the Adviser can elect not to receive such information or to

restrict access to such information to certain personnel that are placed behind an “information wall.” Lack of access to any such information could adversely affect a Client’s investments that in some cases could have been avoided had the Client or Adviser had such information.

Side Letter and Similar Arrangements: The Adviser and/or its respective affiliates have entered, and reserve the right in the future to enter, into side letters or similar agreements with certain investors in connection with their investments without the approval of any other investor. These arrangements subject the Adviser to conflicts of interest as they generally have the effect of establishing rights under or supplementing the terms of the relevant Client’s governing documents with respect to such investor in a manner beneficial to such investor and more favorable to such investor than those applicable to other investors.

Need for Follow-on Investments: Following an initial investment in a given portfolio company or project, a Client could decide to provide additional funds to such portfolio company or project or may have the opportunity to increase its investment in a successful portfolio company or project. There is no assurance that such Client will make follow-on investments or that such Client will have sufficient funds to make all or any of such investments. Any decision by a Client not to make follow-on investments or its inability to make such investments could have a substantial negative effect on a portfolio company or project in need of such an investment. Additionally, a Client may not participate in follow-on investments on a *pro rata* basis with of the Adviser’s Clients or other co-investors (including third-party investors) in an investment, and such persons will potentially have different interests and objectives than those of such Client. To the extent a Client has co-invested in an investment with Adviser Clients or other co-investors (including third-party investors), there can be no assurance that such other persons will be able or willing to provide additional capital necessary for follow-on investments, and the General Partner could cause a Client to provide such capital, resulting in more exposure to such investment than initially anticipated. The failure to make such investments could result in a lost opportunity for the Client to increase its participation in a successful portfolio company or project or the dilution of the Client’s ownership in a portfolio company or project if a third party invests in such portfolio company or project.

- C. In connection with sponsoring Clients, the Adviser and certain affiliates have an economic interest in such Clients and/or the respective General Partners. Any parallel vehicle established for investors will generally invest alongside the respective Client on substantially the same terms and conditions as and substantially at the same time as the investments in such investment by such Client, and any such investment shall generally be disposed of on substantially the same terms and conditions of and at substantially the same time as the relevant divestments by such Client.

Additionally, as provided in governing documents of certain Clients, the Adviser and certain of its affiliates may co-invest alongside such Clients in a portfolio investment. For more information and certain risk factors with respect to the conflicts that may arise as a result of any co-investment see *Item 8* above.

- D. See *Item 11.C* above.

Item 12 – Brokerage Practices

- A. The Adviser’s investment strategy involves making investments for Clients in energy infrastructure assets. As a result, the Adviser does not routinely select or recommend broker-dealers for the purchase and sales of securities but reserves authority to do so. Furthermore, the Adviser does not maintain any

trading accounts and does not use “soft” dollars received from broker-dealers from the purchase and sales of securities for its Clients.

B. Not applicable.

Item 13 – Review of Accounts

- A. The Adviser maintains comprehensive review procedures for the ongoing monitoring of the portfolio investments of its Clients. In connection therewith, the Adviser conducts periodic reviews of all portfolio company investments held in each Client portfolio. All Adviser investment and operational staff participates in the ongoing monitoring of Client portfolios, although responsibilities vary by individual.
- B. See *Item 13:A* above.
- C. The Adviser provides Clients and investors, if applicable, with written audited annual financial statements, written periodic reports and other written communications.

Item 14 – Client Referrals and Other Compensation

- A. The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to its Clients.

Item 15 – Custody

The Adviser is deemed to have custody of Client assets pursuant to Rule 206(4)-2 under the Advisers Act (the “**Custody Rule**”). To ensure its compliance with the Custody Rule, the Adviser provides audited financial statements to investors within 120 days after the end of the relevant Client’s fiscal year. Investors are urged to carefully review these statements and reconcile them with any interim reporting that investors may receive from the Adviser.

Item 16 – Investment Discretion

The Adviser’s authority to manage Client accounts is in all cases subject to the specific objectives, guidelines, and limitations set forth in the applicable Client’s offering and governing documents. The Adviser accepts discretionary authority to manage Client securities, subject to certain limitations as set out below.

Item 17 – Voting Client Securities

- A. Based upon the Adviser’s investment strategy and business as a private equity fund manager (and lack of involvement in publicly-traded equities) it generally does not vote proxies. with Rule 206(4)-6. However, the Adviser reserves authority to direct the vote of a Client on certain issues, subject to certain step-in rights that are granted to the Advisory Committee in specific circumstances as further described in each Client’s governing documentation.

If the Adviser is called upon to vote proxies, it will vote such proxies in accordance with the proxy voting policies and procedures in the Adviser’s compliance manual. Pursuant to SEC rule 206(4)-6, the Adviser has established policies and procedures to address voting procedures and any conflicts of interests involved in a proxy vote between the Adviser and Clients. The Adviser’s proxy voting procedures are designed to ensure that proxies are voted in a manner that is in the best interest of the Clients. The Adviser will generally vote in favor of matters that follow an agreeable corporate strategic direction, support an ownership structure that enhances shareholder value without diluting management’s accountability to shareholders and/or present compensation plans that are commensurate with enhanced manager performance and market practices. The Adviser addresses conflicts of interest involved in a proxy vote through a three-step process of identifying potential conflicts of interest, determining material conflicts, and establishing procedures to address material conflicts. The Adviser reserves the right to determine not to vote proxies in respect of securities of an issuer if it determines it would be in the Client’s overall best interest not to vote.

Clients and investors may obtain copies of the Adviser’s proxy voting policies by contacting Mr. Gordon D. Polozola, the Adviser’s Chief Compliance Officer, at (713) 337-7979.

- B. See *Item 17.A* above.

Item 18 – Financial Information

- A. The Adviser does not require or solicit prepayment of any fees six months or more in advance.
- B. The Adviser does not have any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Clients.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.