

Item 1 - Cover Page

Part 2A of Form ADV: Firm Brochure

D2 Asset Management, LP

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October 1, 2024

This Brochure provides information about the qualifications and business practices of D2 Asset Management, LP (“D2” or the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (646) 729-8315. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

D2 is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

This Brochure contains certain information in a manner and format required by the SEC. Additional information, which must be read and considered with the information in this Brochure, may be found in other documents including, as applicable, offering memoranda and/or investment management agreements, among others. Please also read and understand the entire Brochure as responses to certain Items also may respond to, reference, or provide additional or fuller information regarding the responses to other Items.

Additional information about D2 is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There have been no material changes to our brochure since our most recent update. However, in the future, this section of our brochure will contain a summary of any material changes we have made since our last annual brochure,

All clients and investors are encouraged to review this document in its entirety – along with all other investment offering materials – before making any investment decisions.

Item 3 – Table of Contents

Item 1 - Cover Page	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-By-Side Management	8
Item 7 – Types of Clients.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	10
Item 9 – Disciplinary Information	35
Item 10 - Other Financial Industry Activities and Affiliations	36
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	37
Item 12 – Brokerage Practices	39
Item 13 – Review of Accounts.....	41
Item 14 – Client Referrals and Other Compensation	42
Item 15 – Custody	43
Item 16 – Investment Discretion.....	44
Item 17 – Voting Client Securities.....	45
Item 18 – Financial Information	46

Item 4 – Advisory Business

The Adviser is a Delaware limited partnership, based in Dallas, TX, together (where the context permits) with its affiliated general partners of the Funds (as defined below) and other affiliates that provide advisory services to and/or receive advisory fees from the Funds. Such affiliates are currently and would typically be under common control with D2 Asset Management, LP and possess a substantial identity of personnel and/or equity owners with D2 Asset Management, LP. These affiliates have been and may in the future be formed for tax, regulatory or other purposes in connection with the organization of the Funds (as defined below). One or more of these affiliates currently serve as the general partner of the Fund.

The Adviser provides investment supervisory services to pooled investment vehicles (the “Fund”, or collectively the “Funds” or “Clients” or “Partnerships”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The Adviser specializes in credit, hybrid, and special situation investments across real assets, specialty finance, and structured credit. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. The Adviser serves as the investment adviser to the Funds in order to provide such services.

The Adviser provides investment advisory services to each Fund in accordance with the limited partnership agreement (or analogous governing document) of such Fund or separate investment and advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or governing documents of the applicable Funds. Investment restrictions for the Funds, if any, are generally established in the governing documents of the applicable Funds, Advisory Agreements and/or side letter agreements negotiated with investors in the applicable Funds (the governing documents, Advisory Agreements and side letters referred to herein as a Fund’s “Governing Documents”).

While each of its Clients generally follows the strategy stated above, the Adviser may tailor the specific advisory services with respect to each Client based on the individual investment strategy of each Client.

The Adviser does not participate in wrap fee programs.

D2 Asset Management, LP was formed in 2024 and is owned by Ben Doramus and Luke Doramus. The Adviser manages approximately \$1,000,000,000 of client assets as of October 1, 2024.

Item 5 – Fees and Compensation

Below is a discussion of how the Adviser is typically compensated in connection with providing advisory services to its Clients. Because the Adviser may enter into different fee arrangements on a Client by Client basis, please ensure you obtain and carefully read and study all applicable Governing Documents for any Fund or Fund(s) for which the Adviser provides investment advisory services.

The Adviser or its affiliates generally receive Management Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Fund. A Fund, and/or its portfolio companies may also make other payments to the Adviser or its affiliates for services provided to the portfolio companies which, in certain circumstances, may reduce the Management Fees payable to the Adviser. Additionally, consistent with the Governing Documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Fund and/or the portfolio companies. Further details about certain common fees and expenses are set forth below.

Management Fee

For its services to each Fund, the Adviser receives a management fee (the “Management Fee”), which is based on a percentage of capital commitments. Management Fees paid by a Fund are indirectly borne by investors in such Fund.

The annual Management Fee is paid quarterly in arrears. The Adviser will refund any pre-paid Management Fees by a Fund if the Advisory Agreement with such Fund is terminated before the end of the billing period. Management Fee refunds are calculated on a pro-rata basis for partial periods.

The precise amount of, and the manner and calculation of, the Management Fees for each Fund are established by the Adviser and are set forth in such Fund’s Governing Documents received by each investor prior to making investment in such Fund. The Management Fees and other fees and distributions described herein are generally subject to modification, waiver, or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Fund. The fee structures described herein may be modified from time to time. Fees differ from one Fund to another, as well as among investors in the same Fund. The Adviser retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investor’s capital account(s).

The Governing Documents set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Governing Documents.

As more fully described below, the Adviser or its affiliates are permitted to charge Other Fees (as defined below).

Carried Interest

Additionally, a Fund may be charged a performance fee (sometimes referred to as “carried interest”) based on net profits (the “Performance Fee”). The Performance Fee for each Client is specified in the Governing Documents of such Client.

The Performance Fee, if any, will be calculated and billed or allocated periodically. With respect to the Funds, the General Partner of each Fund is entitled to receive an allocation of net profits subject to limited

partners receiving all capital contributions, a stated preferred return, and in accordance with other provisions of the applicable Fund's limited partnership agreement. Lower fees for comparable services may be available from other sources.

Organizational Expenses

The Fund shall pay or reimburse the General Partner and its Affiliates for the Fund's Pro Rata Share of all Organizational Expenses. Such expenses may be subject to certain limitation that are more fully explained in each Fund(s)' applicable Governing Documents.

Partnership Expenses

As more fully described in the Clients' Governing Documents, a Fund shall pay all Fund Expenses or reimburse the General Partner, the Management Company or any Person advancing payment of such expenses, including but not limited to: (i) all costs, fees and expenses incurred in connection with the organization of, and offering of Interests in the Fund, including legal and accounting fees, printing costs, travel and out-of-pocket expenses, compliance with any blue sky laws, costs and expenses incurred in connection with the preparation, printing, distribution and negotiation of a partnership agreement collectively, "Organizational Expenses"); (ii) all brokerage commissions, dealer spreads and other transaction costs incurred in investing for the Fund and all other costs and expenses associated with structuring, negotiating, consummating and holding any Investment; (iii) Management Fees; (iv) the costs of research and/or data screens, as well as risk management and data services and systems; (v) all administrative costs (including the fees and out-of-pocket expenses of the Administrator and its agents as well as any other third-party administrator or custodian which the General Partner may select for the Fund), and the costs of middle-office and back-office support as provided by the Administrator or other third parties; (vi) expenses incurred in connection with obtaining legal, tax and accounting advice and the advice of other consultants and experts on behalf of the Fund; (vii) the fees, costs and expenses associated with the Fund's annual audit, including, without limitation, the fees, costs and expenses associated with any additional accounting review required to comply with the Advisers Act and the rules promulgated thereunder; (viii) the costs and fees attributable to third-party attorneys and consultants which provide advice to the Adviser relating to managing the portfolio and to the General Partner relating to the operation of the Fund, including litigation fees and expenses and the costs of negotiating counterparty documentation; (ix) expenses incurred in connection with the registration, qualification or exemption of the Fund under any applicable U.S. federal, state or non-U.S. laws; (x) any taxes and similar amounts imposed on the Fund and any expenses incurred in connection with tax proceedings that are characterized as Fund Expenses; (xi) costs and expenses relating to the Fund's and the Adviser's U.S. and non-U.S. registration, regulatory and self-regulatory filings, reporting, registrations and memberships, compliance, including costs of compliance programs, third-party compliance consultants, actual and "mock" examinations, regulatory and governmental inquiries, subpoenas and proceedings (in each case, whether involving the Fund or the Adviser in any matter which is directly attributable to the Fund and its operations); (xii) Broken Deal Expenses; (xiii) any indemnification obligation and any other indemnity, contribution or reimbursement obligations of the Fund with respect to any Person, whether or not payable in connection with a Proceeding involving the Fund; (xiv) insurance expenses, including, without limitation, the Fund's allocable portion of directors and officers (D&O), errors and omissions (E&O), cybersecurity, and fidelity insurance; (xv) extraordinary expenses (*e.g.*, unexpected liabilities); (xvi) investment research expenses (including research-related travel, including attendance at conferences as well as meetings with individual issuers and management, due diligence expenses related to research-vendor selection, and the costs of research-related publications and periodicals); (xvii) due diligence expenses related to maintaining service-provider relationships with the Fund (including any travel-related due diligence costs); (xviii) any other fees, costs and expenses incurred by the General Partner, the Adviser, the Fund or any of their respective affiliates relating specifically to the Fund or any

entity that directly or indirectly holds any investment; and (xix) all other costs incurred in connection with the administration of the Fund or otherwise that may be authorized by the Partnership Agreement.

General Partner Expenses

The General Partner and the Manager will be responsible for all of their day-to-day operating expenses, including office overhead and compensation of employees.

Allocation of Expenses

From time to time the Adviser will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or the Adviser on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Funds and/or other parties. Certain expenses can be expected to be the obligation of one particular Fund and be borne by such Fund; alternatively, certain expenses can be expected to be allocated among multiple Funds and entities. In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser is faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Clients with differing fee, expense, and compensation structures, the Adviser has an incentive to allocate investment opportunities to the Clients from which the Adviser or its related persons derives, directly or indirectly, a higher fee, compensation, or other benefit. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

To the extent not allocated to a portfolio company, the Adviser will in good faith allocate fees and expenses incurred in the course of evaluating and making investments that are consummated between Clients in accordance with each Client's Governing Documents or, to the extent not addressed in such Governing Documents, in accordance with its allocation procedures then in effect. In general, this results in an allocation that is pro rata based on the respective total capital commitments of such Clients, however certain expenses are allocated differently by the Adviser.

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

As stated in Item 5 above, the Adviser or its affiliates receive performance-based fees or carried interest allocations from certain Clients. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3, which requires that performance-based fees only be charged to “qualified clients” (as such term is defined in Rule 205-3).

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee-paying clients over other clients in the allocation of investment opportunities. To address these conflicts of interest with respect to any future clients, the Adviser has implemented policies and procedures to ensure that all clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

Item 7 – Types of Clients

The Adviser provides investment supervisory services to private Funds. Investment advice is provided directly to the Fund (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to investors in such Fund.

The Adviser does not have a minimum account size. Minimum investment commitments for Funds, if any, are more fully described in a Fund's Offering Documents. The general partner of each Fund may, in its sole discretion, permit investments below the minimum amounts set forth in the Governing Documents of such Fund.

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

Methods of Analysis and Investment Strategies

The Adviser is a global investment firm that specializes in credit and special situations investing across complex and asset-rich opportunities. The firm provides structured solutions in private markets and invests opportunistically across the capital structure in public markets. The Adviser's objective is to deliver consistent, attractive risk-adjusted returns by employing a tactical approach across various market conditions and cycles.

The Adviser utilizes its flexibility and reputation as a relationship-driven capital partner to offer tailored capital solutions across a wide spectrum, often focusing on neglected or underserved markets. The firm's investment strategy encompasses yield-oriented opportunities in both private and public markets. The Adviser integrates fundamental analysis, thematic research, and differentiated sourcing with an event-driven approach across real assets, credit, and specialty finance. The firm perceives investing in its core asset classes as a single opportunity set with distinct investment strategies encompassing structured finance, corporate credit, loan acquisitions, private credit, and special situations.

In private markets, the Adviser provides customized financing solutions that bridge the gap between traditional equity and debt, such as preferred equity, convertible debt, and hybrid securities. These structured solutions offer flexible capital to support the growth of private companies while generating attractive risk-adjusted returns with downside protection. Additionally, the firm acquires loans in the secondary market from motivated sellers.

In public markets, the Adviser opportunistically invests across the capital structure, taking advantage of market dislocations, special situations, and idiosyncratic opportunities stemming from inefficiencies or complexity. This includes investments in distressed debt, rescue financings, and niche credit and equity instruments.

The Adviser's approach is adaptable to varying market conditions. During stable periods, the firm concentrates on contractual returns from idiosyncratic private investments and off-the-run securities. In uncertain environments, the Adviser seeks equity-like returns in liquid markets and well-structured investments that offer downside protection. The firm's comprehensive investment mandates and extensive experience navigating its entire opportunity set enable it to effectively manage risk and maximize returns for its investors.

Risks

The following is a summary of some of the material risks associated with the investment strategy implemented by the Adviser. This summary does not attempt to describe all the risks associated with a Client's investment with the Adviser. Although no summary can fully describe all risks, the Clients' governing documents contain a more complete description of the risks associated with an investment, and no investment can be made without such offering documents.

Investment Risks

Business Risks. The Fund's investment portfolio is expected to consist primarily of debt and/or equity investments in energy companies. Operating results for these types of investments during a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance; Loss of Principal. The Fund consists of one or more newly organized entities that have no prior operating history or track record. Accordingly, the Fund does not have performance history for a prospective investor to consider.

Concentration of Investments; Lack of Diversification. The Fund will focus primarily on investments in companies in the upstream and midstream oil and gas sectors. While the Management Company and certain of its partners, members, officers, employees, managers and directors have experience within this industry, the ultimate performance of the Fund's investments cannot be predicted with certainty. Although the General Partner will attempt to minimize risk, the Fund's actual returns will be subject to numerous factors beyond the General Partner's control, including natural causes, governmental regulation, competing responses to population growth, economic development, and increased urbanization, the successful implementation of measures to counter any of the foregoing, whether by way of political will, the development of new technologies for that purpose or otherwise, and consumer needs and preferences. In addition, the Fund may participate in a limited number of investments within the upstream and midstream oil and gas sectors of the energy industry and, as a consequence, the aggregate returns to the Fund may be substantially adversely affected by the unfavorable performance of even a single investment. To the extent the Fund concentrates its investments in a particular issuer, security, product, service or geographic region, such investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect to that issuer, security, product, service or geographic region. To the extent that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified. If the Fund co-invests with another investment fund, a Limited Partner invested in such other fund may have exposure to a single portfolio company through more than one fund, potentially multiplying such Limited Partner's losses. In addition, during the early stages of the Fund's term, the Fund may hold more concentrated positions than it otherwise would.

The General Partner is expected to reinvest a significant amount of any current income and investment proceeds from a portfolio company of the Fund, including reinvesting the current income and investment proceeds from one portfolio company in a separate and distinct portfolio company. There are limited restrictions on the General Partner's ability to reinvest current income and investment proceeds not distributed by the Fund. As such, any such reinvestment will increase the Fund's exposure to a particular portfolio company and an underperforming portfolio company is likely to adversely affect other portfolio company and the aggregate returns of the Fund.

Highly Competitive Market for Investment Opportunities Generally; Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions in the energy industry is highly competitive and competition is increasing. The Fund will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic industry acquirers and other financial investors. Over the past several years, an ever-increasing number of private equity funds have been or are being formed, and many existing funds have grown in size. Additionally, a number of new funds and established funds with more generalized investment capabilities have entered into the energy industry within the last several years as capital needs in the industry have increased and investment returns in other industries have decreased. As global efforts are made to respond to anticipated future population growth, economic development and increased urbanization, and the effects of each of them, the number of funds and sources of investment capital that have similar investment objectives to the Fund, or that target similar investment opportunities, is likely to increase. Some of these competitors may have more relevant experience, greater financial resources and/or purchasing power, greater negotiating power, a greater willingness to take on risk, and/or more personnel than the General Partner, the Management Company, the Fund and their respective affiliates. In addition, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. The General Partner expects that

competition for appropriate investment opportunities may increase, which also may require the Fund to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Fund and/or adversely affecting the terms upon which investments can be made. Therefore, identification of attractive investment opportunities is difficult and involves a high degree of uncertainty, and competition for such opportunities may become more intense. This may adversely affect the terms upon which the Fund makes investments, decrease the number of suitable investment opportunities and inhibit the Fund's ability to satisfy its investment objectives. To the extent that the Fund encounters competition for investments, returns to Limited Partners may decrease.

It is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified. Limited Partners will be required to bear Management Fees during the Investment Period based on the entire amount of the Limited Partners' Commitments and pay for other expenses as set forth in the Partnership Agreement even if the Fund fails to make any investments.

Investment Management Agreement. In connection with the purchase of the Initial Investments by the Fund, the Management Company intends to enter into an investment management or sub-advisory agreement (the "IMA") with the Former Sponsor to manage the interests held by the Former Sponsor in investments other than the Initial Investments (the "IMA Investments"). The Management Company expects to manage the IMA Investments until the earlier of (i) twelve months from the date the IMA is executed and (ii) the date the IMA Investments are fully monetized; provided, that the Former Sponsor will have the option to extend the IMA an additional period of time. In connection with the management of the IMA Investments, the Management Company will receive compensation. During the term of the IMA, the Principals will spend a portion of their business time and attention managing the IMA Investments. The Fund will have no interest in any compensation or other payments received by the Management Company with respect to the IMA Investments, and such amounts will not reduce or offset the Management Fees payable to the Management Company and will not be shared with the Limited Partners.

Unspecified Investments. Limited Partners will be relying on the ability of the General Partner to identify and evaluate the investments to be made by the Fund using the proceeds of this offering. The activity of identifying, structuring, completing and realizing investments in companies in the upstream and midstream oil and gas sectors involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory or political environment. There can be no assurance that the General Partner will be able to identify or the Fund will be able to complete investments that satisfy the Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values.

Illiquidity; Lack of Current Distributions. An investment in the Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. While an investment may be sold at any time, it is generally expected that a sale will not occur until a number of years after the Fund's initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Fund (including the Management Fee) may exceed its income, thereby requiring that the difference be paid from the Fund's capital (including the aggregate unfunded Commitments).

The Fund's ability to dispose of investments may be limited for several reasons, including the absence of an established market for the investments, as well as contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms upon which a disposition could be made. Any possibility of a disposition in the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which the Fund invests and an active mergers and acquisitions

(or recapitalizations and reorganizations) market. Public offering, merger and acquisition and recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, the Fund generally will not be able to realize an investment in a privately held entity until the sale of such entity. In addition, to the extent that Fund capital is invested in, or associated with, newly discovered oil or natural gas properties, there may be a delay of several calendar quarters in cash distributions made to Limited Partners. There are numerous factors that could influence the receipt by the Fund of first production payments from these type of wells, including construction of gas processing plants, distance to pipelines, property right-of-way negotiations, availability of custom equipment for high pressure wells, market demand for product, and the process of obtaining appropriate division orders. To the extent the Fund owns less than a majority of the working interests in a portfolio investment, the Fund will have little or no influence over these factors.

Leveraged Investments; Borrowing. The Fund may make use of leverage by having a portfolio company or special purpose vehicle incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both the Fund's opportunity for higher returns and its risk of loss from a particular investment, and the magnification of the risk of loss may be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets (which may be impacted by regulatory restrictions and guidelines), which is difficult to accurately forecast. As a result, at times it may be difficult for the Fund and/or portfolio companies to obtain or maintain the desired degree of leverage. The availability of leverage also is subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System, the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation) may restrict or otherwise discourage lending that results in companies carrying large amounts of debt.

The use of leverage by a portfolio company may impose restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. Such leverage will increase a portfolio company's exposure to any deterioration in its industry, competitive pressures, adverse economic environment or rising interest rates. As a result, any decline in the value of a leveraged portfolio company may be accelerated and magnified in a market downturn. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of capital invested in such portfolio company, which could adversely affect the Fund's returns. Additionally, in such a situation, lenders would typically have a claim that has priority over any claim by the Fund to the assets of such portfolio company in an insolvency event or proceeding. Should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a portion of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts for such portfolio company. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal level of financial leverage, the Fund may hold a larger than expected equity investment in such portfolio company and may realize lower than expected returns from such portfolio company, which would likely adversely affect the Fund's returns. Any failure by lenders to provide previously committed financing could also expose the Fund to potential claims by sellers of prospective portfolio companies which the Fund may have been contracted to purchase.

The Fund may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. Although use of such borrowing facilities enhances the General Partner's ability to close transactions quickly, such activity also increases risk and raises the possibility that the General Partner will need to call additional capital to pay off such debt. Any use of leverage by the Fund may result in interest expense and other costs to the Fund that may exceed distributions made to the Fund or appreciation of its

investments. The Fund may incur leverage on a joint and several basis with one or more entities or any of their respective affiliates and, in connection with incurring such indebtedness, the General Partner may, in its sole discretion, cause the Fund to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when the Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. In addition, to the extent the Fund incurs leverage or provides any guaranty, such amounts may be secured by the Commitments of the Fund's investors and other Fund assets. The inability of the Fund to repay any leverage secured by the Commitments of the Fund's investor could enable a lender to issue a capital call to such investors on behalf of the General Partner of the Fund.

Uncertainty of Projections. The Fund may use financial projections to help analyze a potential investment or future capital raises and financing for portfolio companies or other transactions. Projected operating results of a company in which the Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the General Partner in its sole discretion. In all cases, projections are only estimates of future results that are based, in whole or in part, upon information received from third parties and assumptions made at the time the projections are developed. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There can be no assurance that the results set forth in any projections will be attained, and actual results may be significantly different from projections.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions. Before making an investment, the General Partner typically will conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to such investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, geophysical, geological, environmental and legal issues. Outside consultants, legal advisors, accountants, geologists, engineers, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and the General Partner may rely on the advice received from such third parties. Investment analyses and decisions by the General Partner often will be undertaken on an expedited basis in order for the Fund to compete for investment opportunities and/or consummate investments. In such cases, the information available to the General Partner at the time of an investment decision may be limited, and the General Partner may not have access to the detailed information necessary for a full evaluation of an investment opportunity. The due diligence investigation carried out with respect to any investment opportunity is unlikely to reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return on invested capital.

Hedging Arrangements; Related Regulations. The General Partner may (but is not obligated to) endeavor to manage the Fund's or any investment's interest rate exposures, tax exposures, currency exposures, oil, gas and other commodity price exposures or other exposures, using hedging techniques where available and appropriate. The Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used in some cases, particularly in OTC contexts, hedging arrangements will subject the Fund to the risk of a counterparty's inability or refusal to perform under

a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (“CFTC”) or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of the Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

Uncertain Economic, Social and Political Environment. The global economic and political climate can be uncertain. Prior acts of terrorism, the threat of additional terrorist strikes and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken, increasing the risk of a “self-reinforcing” economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and generally will increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections.

Deterioration of Credit Markets. The ability of the Fund and its portfolio companies to effectively execute their respective strategies will be dependent on the health of the U.S. and global credit markets. In the event that, as a result of an economic downturn or otherwise, credit markets deteriorate and it becomes more difficult for investment funds such as the Fund to obtain favorable financing for investments, the Fund’s ability to consummate investments may be adversely affected, one effect of which may be a slower- than-anticipated rate of capital deployment by the Fund. A persistent credit market deterioration may result in limited availability of credit to consumers, homeowners and/or businesses, which may lead to an overall weakening of the U.S. economy and/or global economies. In such a situation, portfolio company performance may decline and/or the value of portfolio companies may be diminished. As a result, the Fund’s ability to realize its investments at favorable times and/or for favorable prices may be negatively impacted, one effect of which may be longer-than-anticipated holding periods for investments. Accordingly, a deterioration in credit markets may negatively affect the Fund’s ability to achieve its investment objectives and/or generate attractive returns for Limited Partners.

Force Majeure Events. Certain force majeure events (meaning those events beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, earthquakes, war, terrorism and labor strikes) may adversely affect the ability of the Management Company, the Fund, their respective affiliates, counterparties of the foregoing or other persons or entities to perform their respective obligations. The cost of repairing or replacing assets damaged by a force majeure event could be considerable. In addition, repeated or prolonged service interruptions resulting from a force majeure event may cause a permanent loss of customers, substantial litigation or significant penalties for regulatory or contractual non-compliance, though in some cases, agreements may be terminable if a force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. The occurrence of a force majeure event may, directly or indirectly, have a material adverse effect on the Fund and/or any of its portfolio companies.

General Economic and Market Conditions. The energy industry, generally, and the success of the Fund’s investment activities, specifically, will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls and U.S. and global political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the General Partner. Conditions such as financial market volatility, illiquidity and/or decline, a generally unstable economic environment (including as a result of a slowdown in economic growth and/or changes in interest rates or foreign exchange rates) and/or a deterioration in the capital markets may negatively impact the availability of attractive investment opportunities for the Fund, the Fund’s ability to make

investments, the availability of funding to support the Fund's investment objectives, the performance and/or valuation of the Fund's investments and/or the Fund's ability to dispose of investments. For example, events similar to the credit crisis in the summer of 2007, the downgrading of the credit rating of the United States in 2011 or the decline in oil and gas prices that began in the fourth quarter of 2014 can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Such adverse effects may include the requirement of the Fund to pay breakup, termination or other fees and expenses in the event the Fund is not able to close a transaction and/or the inability of the Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events also may affect the Fund's ability to obtain funding to support its investment objective. Any of the foregoing events could result in substantial or total losses to the Fund in respect of certain investments, which losses will likely be exacerbated by the presence of leverage and may be magnified by the expected limited geographic diversity of the Fund's investments.

Outbreaks of Infectious or Contagious Diseases; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19 have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity, all of which may result in significant losses to a Fund. The extent of the impact of any such emergency depends on many factors, all of which are highly uncertain and cannot be predicted, which may impact the Adviser's or the Funds' ability to source, diligence and execute new investments and to manage, finance and exit investments in the future, or cause significant changes or reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital (among a wide variety of other potential effects). In addition, the operations of the Funds, their investments, the applicable General Partner, the Adviser and their respective affiliates may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other social, political, financial, legal, regulatory and other factors related to an actual or threatened public health emergency (such as COVID-19), including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments. In the event that the global credit markets deteriorate and it becomes more difficult for investment funds such as the Fund to obtain favorable financing for investments, the Fund's ability to generate attractive investment returns may be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of the Fund to realize its investments at favorable times or for favorable prices.

Adequacy and Availability of Insurance; Catastrophic Events. The Fund may seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance. However, it may not always be practicable or feasible for portfolio companies to have prudent insurance and other risk management products. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially

cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation. Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, hurricanes, tornados, floods, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact the portfolio company's and/or the Fund's profitability. In general, losses related to terrorism are becoming harder and more expensive to insure against, and most insurers are excluding terrorism coverage from their all-risk policies. As a result, it is unlikely that any of the Fund's investments will be insured against damages attributable to acts of terrorism (or certain other losses of a catastrophic nature). If a major uninsured loss were to occur with respect to an investment, the Fund could lose both its capital invested in and anticipated profits related to such investment.

Compensation and Potential Conflicts. Each Fund's Governing Documents provide the relevant General Partner with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that have the potential to affect the compensation of the General Partner and its affiliates. In making such determinations, the relevant General Partner is subject to potential conflicts of interest. For example, the potential to earn additional compensation can create an incentive for the General Partner to make investments and to hold investments longer than otherwise would be the case in the absence of the Fund's Management Fee and carried interest compensation arrangements. The General Partners expect to be incentivized to cause each Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are completely written off for U.S. federal income tax purposes in the manner described in the Governing Documents of each Fund (such investments, "Impaired Value Investments")) in order to generate greater ongoing Management Fees and, potentially, larger carried interest distributions than would otherwise be the case if such investments had not been made or held (or if such determination had not been made), including because of the possibility that the investments' values will appreciate in the future.

Where the Management Fee is calculated taking into account the valuation of an investment, including a determination of whether an investment has become an Impaired Value Investment, the relevant General Partner will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where the Governing Documents do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, extraordinary dividends or similar transactions, the relevant General Partner expects to be incentivized to pursue such transactions. Additionally, the amount of carried interest owed to each General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the General Partners expect to be subject to related conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the Governing Documents.

The Governing Documents provide each General Partner with wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the General Partners or their affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors, and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of each General Partner's determination that an investment is an Impaired Value Investment, and, except as set forth in the Governing Documents, neither the General Partners nor their affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during each Fund's holding period. In making its determination, the General Partners are entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Governing Documents. As a general matter, the standards for determining

Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of compensation to the General Partners and their affiliates is dependent in part on an investment's status as an Impaired Value Investment, the General Partners face potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the General Partners and their affiliates intend to operate in accordance with the Governing Documents, as well as valuation and other practices and procedures, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such practices and procedures will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Fund Risks

Counterparty Risk. The Fund will be subject to various counterparty risks. For example, the Funds may effect a portion of their transactions in 'over-the-counter' or 'interdealer' markets or through private transactions. The participants in such markets and the counterparties in such private transactions are typically not subject to credit evaluation and regulatory oversight as are members of 'exchange based' markets. This exposes the Fund to the risk that a counterparty will not settle a transaction because of a credit or liquidity problem, thus causing the Fund to suffer losses. Such 'counterparty risk' is accentuated for contracts with longer maturities where events may intervene to prevent settlement or where the Fund has concentrated its transactions with a single or small group of counterparties. Furthermore, upon the bankruptcy, insolvency or liquidation of any counterparty, the Fund may be deemed to be a general unsecured creditor of such counterparty and could suffer a total loss with respect to any positions and/or transactions with such counterparty. In the current market conditions, counterparty risk is increased and more difficult to predict. In addition to heightened risk of bankruptcy, there is a risk that counterparties may have their assets frozen or seized as a result of government intervention or regulation. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty.

Valuation of Assets. Certain securities and other assets in which the Fund may directly or indirectly invest, including investments in senior debt and secured loans, are not expected to have a readily ascertainable market value and, as appropriate, will be valued by the Adviser in accordance with its established valuation policies. Such securities and other assets constitute a substantial portion of the Fund's investments. When the Adviser determines that the market price does not fairly represent the value of an investment, the Adviser, as appropriate, will value such investment at fair value as it reasonably determines. The Adviser has a conflict of interest in providing such valuations. In particular, where applicable, a predecessor funds' performance information related to unrealized investments is based on the Adviser's valuation of such investments. Independent appraisals of such investments are typically not obtained. Further, because of the overall size and concentrations in particular markets, the maturities of positions that may be held by the Fund from time to time and other factors, the liquidation values of the Fund's investments may differ significantly from the interim valuations of these investments derived from the valuation methods described in the Adviser's established valuation policies. If the Adviser's valuation should prove to be incorrect, the stated value of the Fund's investments could be adversely affected. The Adviser may delegate its valuation responsibilities to any other person in its discretion. Absent bad faith or manifest error, valuation determinations by the Adviser (or its delegate) will be conclusive and binding on Fund.

Liquidity Risk. Liquidity risk arises in the Fund's trading activities. It includes the risk of the Fund's failure to fund trading activities at settlement dates, or liquidate or trade securities positions in a timely manner at a reasonable price. The Fund may invest in securities, including swaps and other derivatives, that are subject to legal or other restrictions on transfer, that are thinly-traded or for which no liquid

market exists or that otherwise become illiquid or difficult to trade. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable, and the Fund may not be able to trade them when it desires to do so or to realize what it perceives to be their fair value. Trading restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts, considerably worse pricing and other expenses than does trading eligible securities on national securities exchanges or in the over-the-counter markets or that are otherwise more liquid. The Fund may not readily be able to exit such illiquid positions and, in some cases, may be contractually prohibited from exiting such positions for a specified period of time. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Furthermore, valuing such financial instruments may be difficult and lead to uncertain marks. It also should be noted that, even those markets which HPS expects to be liquid can experience periods, possibly extended periods, of illiquidity.

Interpretation of Agreements. Many assets in which the Fund can invest are governed by complex documents. The parties to those documents may disagree as to the proper interpretation of the terms of a contract when enforcement is sought. The interests of the holders of the same or different tranches of securities of a particular issuer, or creditors of such an issuer, may not be aligned, and ambiguities or mistakes in the applicable documentation may increase the risk of disputes. If documentation disputes occur, the cost and unpredictability of the legal proceedings required to enforce its contractual rights may lead the Adviser to decide on behalf of the Fund not to pursue claims against a counterparty or issuer. If the Adviser decides to pursue claims on behalf of the Fund against a counterparty or issuer, it may not be successful. The Fund thus assumes the risk that it may be unable to obtain payments owed to it or that those payments may be delayed or made only after it has incurred the costs of litigation.

Publicly Traded Securities. The Fund may invest in publicly traded equity and debt securities. Some of these securities may be low rated or unrated and illiquid. The value of equity securities generally will vary with the performance of the issuer and movements in the equity markets. These investments are subject to certain risks, including the risk of loss from counterparty defaults and the risks arising from the volatility of the global fixed-income and equity markets. When buying a publicly traded security, The Fund may be unable to obtain financial covenants or other contractual rights that the Fund might otherwise be able to obtain in making privately-negotiated investments. Moreover, The Fund may not have the same access to information in connection with investments in public securities, either when investigating a potential investment or after making an investment, as compared to a privately-negotiated investment. Publicly traded securities that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline in the market value of such security. Furthermore, The Fund may be limited in their ability to make investments and to sell existing investments in public securities because the Adviser may have material, non-public information regarding the issuers of those securities or as a result of other the Advisers policies, as the case may be. Accordingly, there can be no assurance that the Fund will make investments in public securities or, if they do, as to the amount they will invest. The inability to sell securities in these circumstances could materially adversely affect the investment results of the Fund. Further, no assurances can be given that the ratings on such securities accurately reflect their risk profiles.

High Yield Debt and Below Investment Grade Debt Obligations. The Fund may invest in “higher yielding” (and, therefore, generally higher risk) debt securities. In most cases, such debt will be rated below “investment grade” or will be unrated and face ongoing uncertainties and exposure to adverse business, financial or economic conditions and the issuer’s failure to make timely interest and principal payments. The market for high-yield securities has experienced periods of volatility and reduced liquidity. Obligors of below investment grade debt obligations may be highly leveraged and may not have available to them more traditional methods of financing. During an economic downturn, a

sustained period of rising interest rates, or a period of fluctuating exchange rates (in respect of those obligors with operations located in non- U.S. countries), such obligors may be more likely to experience financial stress and may be unable to meet their debt obligations due to the obligors' inability to achieve sufficient financial results or the unavailability of financing or under certain market conditions may not be able to refinance their debt obligations which may increase their risk of default. The market values of certain of these debt securities may reflect individual corporate developments. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these debt securities.

Nature of Fixed-Income Securities. Fixed-income securities in which the Fund invests may be unsecured, whereas all or a significant portion of the issuer's senior indebtedness may be secured. In such situations, the ability of the Fund to influence a portfolio company's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. Investments in fixed-income securities may be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Fund earlier than expected.

Bank Loans. Bank loans and participations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the Fund to directly enforce compliance by the obligor with the terms of the loan or credit agreement or other instrument evidencing such loan obligation, or enforce any rights of set-off against the obligor.

Senior Secured Loans. Senior secured loans and participations are subject to risks, including: (i) the possible invalidation, avoidance, unwinding or subordination of an investment transaction; (ii) so-called lender liability claims; (iii) environmental liabilities; (iv) limitations on the ability to directly enforce compliance by the obligor with the terms of the loan or credit agreement or enforce (or retain all the proceeds realized from) any rights of set-off against the obligor; and (v) the possibility of being outvoted by other lenders in syndicated senior secured loans on important issues. In addition, these investments may be subject to the risk that the Fund's security interests in the underlying collateral are not properly or fully perfected. Compounding these risks, the collateral securing debt investments will often be subject to casualty or devaluation risks. In addition, the Fund may invest in senior loans that, unlike typical senior loans, have limited mandatory amortization requirements. Lastly, the characterization of an investment as senior debt or senior secured debt does not mean that such debt will necessarily have repayment priority with respect to all other obligations of a portfolio company. Portfolio companies may have, and/or may be permitted to incur, other debt and liabilities that rank equally with or senior to the senior loans in which the Fund invests.

Debt Investments in Private Companies. Investing in the debt of private, small and middle market companies involve a number of particular risks that may not exist in the case of large public companies, including: (i) these companies may have limited financial resources and may be unable to meet their obligations under the debt securities that the Fund holds, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Fund realizing on any guarantees the Fund may have obtained in connection with its investment; (ii) these companies typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns; (iii) limited public information exists about many of these companies, and the Fund is required to rely on the ability of its manager's investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies, and if the manager is unable to uncover all material information about these companies, it may not make a fully informed

investment decision, and the Fund may lose money on such investments; (iv) these companies are more likely to depend on the management talents and efforts of a small group of persons and, as a result, the death, disability, resignation or termination of one or more of these persons could have a negative impact on these companies' ability to meet their obligations; (v) these companies generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and (vi) these companies may have difficulty accessing the capital markets or obtaining financing to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity, which may increase the risk of their defaulting on their obligations, leaving creditors such as the Fund dependent on any guarantees or collateral they may have obtained. The impact of these risks on debt investments made by the Fund will be more pronounced when the debt investments are not secured by the private company's assets.

Subordinated Debt. The Fund may invest in subordinated debt. If a portfolio company defaults on such debt or on debt senior to the Fund's investment, or in the event of the bankruptcy of a portfolio company, the investment held by the Fund will be recovered only after the senior debt is repaid in full. Under the terms of typical subordination agreements, senior creditors may be able to block the acceleration of the subordinated debt or the exercise by holders of subordinated debt of other rights they may have as investors. Accordingly, the Fund may not be able to take the steps necessary or sufficient to protect their investments in a timely manner or at all. In addition, subordinated debt may not always be protected by financial covenants or limitations upon additional indebtedness and may not be rated by a credit rating agency. If a portfolio company declares bankruptcy, the Fund may not have full or any recourse to the assets of the portfolio company or the assets of the portfolio company may not be sufficient to repay the Fund's investments in full. Further, the Adviser's ability to amend the terms of the Fund's investments, assign the investments, accept prepayments, exercise their remedies and control decisions made in bankruptcy proceedings may be limited by intercreditor arrangements if debt senior to the Fund's investments exists. In addition, the risks associated with subordinated loan securities include a greater possibility that adverse changes in the financial condition of the obligor or in general economic conditions (including a sustained period of rising interest rates or an economic downturn) may adversely affect the borrower's ability to pay principal and interest on its loan. Many obligors on subordinated loan securities are highly leveraged, and specific developments affecting such obligors, including reduced cash flow from operations or the inability to refinance debt at maturity, may also adversely affect such obligors' ability to meet debt service obligations. The level of risk associated with investments in subordinated debt increases if such investments are in distressed or below investment grade issuers. Default rates for subordinated loan securities have historically been higher than has been the case for investment grade securities.

CLOs. As mentioned above, the Fund may invest (including "equity" or residual tranches) in CLO products and other securitizations, which are generally limited recourse obligations of the issuer ("**Securitization Vehicles**") payable solely from the underlying assets ("**Securitization Assets**") of the issuer or proceeds thereof. Consequently, holders of equity or other securities issued by Securitization Vehicles must rely solely on distributions on the Securitization Assets or proceeds thereof for payment in respect thereof. The Securitization Assets may include, without limitation, broadly-syndicated leverage loans, middle-market bank loans, collateralized debt obligation debt tranches, trust preferred securities, insurance surplus notes, asset backed securities, mortgages, real estate investment trusts, high-yield bonds, mezzanine debt, second-lien leverage loans, credit default swaps and emerging market debt and corporate bonds, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks. Securitization Assets are typically actively managed by an investment manager, and as a result the Securitization Assets will be traded, subject to

rating agency and other constraints, by such investment manager. The aggregate return on the CLO equity securities will depend in part upon the ability of each investment manager to actively manage the related portfolio of Securitization Assets.

The Fund's investment strategy with respect to certain types of investments may be based, in part, upon the premise that certain investments (either held directly or through a CLO) that are otherwise performing may from time to time be available for purchase by the Fund at "undervalued" prices. Purchasing interests at what may appear to be "undervalued" or "discounted" levels is no guarantee that these investments will generate attractive risk-adjusted returns to the Fund or will not be subject to further reductions in value. No assurance can be given that investments can be acquired at favorable prices or that the market for such interests will continue to improve since this depends, in part, upon events and factors outside the control of the Adviser.

Credit Risk; Collateral. One of the fundamental risks associated with the Fund's investments is credit risk, which is the risk that a borrower will be unable or unwilling to make principal and interest payments on its outstanding debt obligations, including the Funds' investments, when due. The Fund's returns would be adversely impacted if a borrower to which the Fund lends fails to make such payments when due.

Although some of the Fund's investments will be secured by specific collateral and which, if securing first priority liens, generally cannot be pledged, lent, re-hypothecated or otherwise re-used by the borrower, the value of which may initially exceed the principal amount of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investments, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing an investment.

Under certain circumstances, collateral securing an investment may be released without the consent of the Fund. Moreover, the Fund's security interest (with respect to investments in secured debt) may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, the Fund may not have priority over other creditors as anticipated. First priority lien investments made by the Fund may, in certain cases, provide a first priority lien over some, but not all, of the assets of the relevant borrower. The Fund may also invest in second-lien debt, high-yield securities, marketable and non-marketable, common and preferred equity securities and other unsecured instruments, each of which involves a higher degree of risk than senior first-lien secured debt, including the re-use and subsequent loss of collateral by the borrower. Furthermore, the Fund's right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of senior lenders (with respect to some or all of the assets of an issuer in which the Fund invests). Certain of these investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, the ability of the issuer to repay the principal in respect of an obligation held by the Fund may be dependent upon a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

In addition, issuers or portfolio companies in which the Fund invests could present a high degree of business and credit risk. Issuers or portfolio companies in which the Fund invests could deteriorate as a result of, among other factors, an adverse development in their businesses, a change in the competitive environment or the occurrence, continuation or worsening of any economic and financial market downturns and dislocations. As a result, issuers or portfolio companies that we expected to be stable or improve may operate, or expect to operate, at a loss or have significant variations in operating

results, may require substantial additional capital to support their operations or maintain their competitive position or may otherwise have a weak financial condition or be experiencing financial distress.

The terms of any derivative hedging arrangements entered into by the Fund may provide that related collateral given to, or received by, the Fund may be pledged, lent, re-hypothecated or otherwise re-used by the collateral taker for its own purposes. If collateral received by the Fund is reinvested or otherwise re-used, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced, and the Fund will have less protection if the counterparty defaults. Similarly, if the counterparty reinvests or otherwise re-uses collateral received from the Fund and suffers a loss as a result, it may not be in a position to return that collateral to the Fund should the relevant transaction complete, be unwound or otherwise terminate and the Fund is exposed to the risk of loss of the amount of collateral provided to the counterparty.

Subordination of CLO Equity. Payments of principal of, and interest on, debt issued by CLOs, and dividends and other distributions on unsecured subordinated notes and preference shares (“**CLO Equity**”) are subject to priority of payments. CLO Equity is subordinated to the prior payment of all obligations under debt securities. Further, in the event of default under any debt securities issued by a CLO, holders of CLO Equity generally have no right to determine the remedies to be exercised. To the extent that any elimination, deferral or reduction in payments on debt securities occurs, such elimination will be borne first by CLO Equity and then by the debt securities in reverse order of seniority. Thus, the greatest risk of loss relating to defaults on the collateral held by CLOs is borne by the CLO Equity. To the extent that a default occurs with respect to any collateral and such collateral is sold or otherwise disposed of, it is likely that the proceeds of such sale or other disposition will be less than the unpaid principal and interest on such collateral. Excess funds available for distribution to debt and equity securities issued by a CLO will be reduced by losses occurring on the collateral and returns on the CLO Equity will be adversely affected.

Prepayment of Obligations. The terms of loans held by CLOs may be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the borrower repaying the principal on an obligation indirectly held by the applicable Client earlier than expected, either with no or a nominal prepayment premium. This may happen when there is a decline in interest rates or credit spreads, or when the borrower’s improved credit or operating or financial performance allows the refinancing of certain classes of debt with lower cost debt. Assuming an improvement in the credit market conditions, early repayments of such debt could increase. There is no assurance that a CLO will be able to reinvest proceeds received from prepayments in assets that satisfy its investment objective, and any delay in reinvesting such proceeds may materially affect the performance of the applicable Client. Conversely, if the prepayment does not occur within the expected time frame, the term of the applicable Client may be longer than expected or the applicable Client may make distributions in kind.

Warehouse Financing. Relatively short-term credit facilities may be used to finance the acquisition of securities for any new CLO until a sufficient quantity of loans are accumulated, at which time the assets are refinanced through a securitization, such as a CLO issuance, or other long-term financing. As a result, there is the risk that a CLO will not be able to acquire, during the period that the short-term facilities are available, a sufficient amount of eligible loans to create a new CLO that will achieve its targeted return. There is also the risk that a CLO will not be able to obtain such short-term credit facilities or may not be able to renew any short-term credit facilities after they expire should it be necessary to obtain extensions for such short-term credit facilities to allow more time to seek and acquire the necessary eligible instruments for a long-term financing. Inability to renew or extend these short-term credit facilities may require a CLO to seek more costly financing for these assets or to lose the

ability to utilize them in connection with the creation of a CLO issuance. In addition, conditions in the capital markets may make the creation of a CLO issuance less attractive when a sufficient pool of collateral is available. If such conditions were to exist and a CLO could not complete a CLO issuance prior to the expiration of such financing, the CLO may have to liquidate the investments that it had accumulated, potentially resulting in losses to the CLO.

Unsecured Debt. Most of the fixed-income securities held by the Fund is expected to be unsecured, whereas all or a significant portion of the issuer's senior indebtedness may be secured. In such situations, the ability of the Fund to influence a portfolio company's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. Even where the Fund invests in secured debt, such investments may be subject to the risk that the Fund's security interests in the underlying collateral are not properly or fully perfected. Compounding these risks, the collateral securing debt investments will often be subject to casualty or devaluation risks. Moreover, such investments may not be protected by financial covenants or limitations upon additional indebtedness.

Undervalued Assets. The Fund may invest in undervalued debt investments and other assets as part of their investment strategy. The identification of investment opportunities in undervalued debt investments and other assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial or complete losses.

The Fund may incur substantial losses related to assets purchased on the belief that they were undervalued by their sellers, if they were not in fact undervalued at the time of purchase. In addition, the Fund may be required to hold such assets for a substantial period of time before realizing their anticipated value, and there is no assurance that the value of the assets would not decline further during such time. Moreover, during this period, a portion of the Fund's assets would be committed to those assets purchased, thus preventing the Fund from investing in other opportunities. In addition, the Fund may finance such purchases with borrowed funds and thus will have to pay interest on such borrowed amounts during the holding period.

Delayed Draws, Revolvers and Lines of Credit. The Fund may from time to time incur contingent liabilities in connection with an investment. For example, the Fund may participate in one or more investments that are structured as "delayed draws" or "revolvers" or "lines of credit." If the borrower subsequently draws down on the delayed draw, revolver or line of credit facility, the Fund would be obligated to fund the amounts due. In such circumstances, the Fund may be required to reserve undrawn capital commitments for future funding obligations and may be required to fund such obligations after the termination of the relevant commitment period. However, there can be no assurance that an issuer will ultimately draw down on any such obligation, in which case the Fund may never fund the investment (in full or in part), which may result in the Fund not fully deploying their committed capital. In addition, it is possible that a delayed draw or revolver investment would be bifurcated by the Adviser into separate investments, with certain investors (which may or may not include the Fund) participating in the initial drawdowns and other investors (which may or may not include the Fund) participating in the later drawdowns. In this situation, it is possible that only those investors that participate in such investment at the initial closing will benefit from any upfront fees or other original issue discount from such investment. The Fund may also incur numerous other types of contingent liabilities. There can be no assurance that the Fund will appropriately plan for its contingent liabilities and that such liabilities will not have an adverse effect on the Fund.

It is possible that a revolver, delayed-draw or line of credit investment would be bifurcated by the Adviser into separate investments, with certain investors (which may or may not include one or more Funds) participating in the initial drawdowns and other investors (which may or may not include one or more different Fund) participating in the later drawdowns. In this situation, it is possible that investors that participate in the initial funding of an investment may receive certain economic benefits in connection with such initial funding, such as original issue discount, closing payments, or commitment fees and these benefits are expected to be allocated based on participation in the initial funding, regardless of participation in future funding obligations. Conversely, the investors participating only in the later funding obligations will have the benefit of the most recent portfolio company performance information in evaluating their investment whereas the investors that participated in the initial drawdowns will be obligated in any event to fund such later funding obligations. In certain cases, the Fund may participate in the initial funding of an investment, but may not participate in later-arising funding obligations (*i.e.*, the revolver, delayed-draw or line of credit portions) related to such investment, including because of capacity limitations that an investment vehicle may have for making new revolver, delayed-draw investments or lines of credit or because the Adviser forms a new investment fund focused on investing in revolvers, delayed-draw investments and lines of credit. As a result, the Fund may be allocated a smaller or larger portion of revolver, delayed-draw investments or lines of credit than other investors participating in the loan. Where the Fund and any other participating investors have not participated in each funding of an investment on a pro rata basis, conflicts of interest arise between the Fund and the other investors as the interests of the Fund and the other investors may not be completely aligned with respect to such investment. In addition, a revolver, delayed draw investment or line of credit may be senior to the rest of the loan or to the initial funding, and as a result, the interests of one or more Funds may not be aligned with other participating investors. There can be no assurance that the Fund will appropriately plan for its contingent liabilities and that such liabilities will not have an adverse effect on the Fund.

Follow-on Investments. Following its initial investment in a portfolio company, the Fund may have the opportunity to make an additional investment in such portfolio company. While it is expected that the applicable Fund will participate in any follow-on investments on a pro rata basis in accordance with their initial investments in such portfolio company, there may be circumstances where this is not the case. For example, there is no assurance that the applicable Fund will have sufficient available capital to make such a follow-on investment even where the Fund does make such follow-on investment. Conversely the Fund may have an opportunity to participate in a follow-on investment that other Funds do not make. If the Fund does not participate in a follow-on investment, the Fund's investment may be diluted vis-à-vis the participating Fund's investment and the returns of the non-participating Fund with respect to such investment may further diverge from those of the participating Fund. Further, there could be conflicts of interest between the non-participating Fund and the participating Fund, for example, if the follow-on investment is in a different part of the capital structure than the original investment.

Purchases of Secondary Debt. The Fund may invest in secondary debt. The Fund is unlikely to be able to negotiate the terms of secondary debt as part of their acquisition and, as a result, these investments may not include some of the covenants and protections generally sought when the Fund makes primary investments. For example, debt investments offered in the debt markets in recent years (so-called "covenant lite" deals) often imposed less stringent covenants on the issuers of such debt investments than the covenants included in the terms of debt investments offered in previous periods. Many "covenant lite" debt investments issued during that time period may not obligate portfolio companies to observe and maintain financial maintenance covenants, such as covenants requiring issuers to comply with a maximum leverage ratio, a minimum interest or fixed charge coverage ratio

or maximum capital expenditures. Even if such covenants and protections are included in the investments held by the Fund, the terms of the investments may provide portfolio companies substantial flexibility in determining compliance with such covenants.

Acquisitions of Portfolios of Debt Instruments or Loans. The Fund may invest in portfolios of debt instruments or loans. The Fund is unlikely to be able to evaluate the credit or other risks associated with each of the underlying issuers or borrowers or negotiate the terms of underlying securities or loans as part of their acquisition but instead must evaluate and negotiate with respect to the entire portfolio of debt instruments or loans or, in the case where the Fund invests in contractual obligations to purchase portfolios of debt instruments or loans subsequently originated by a third party, with respect to the origination and credit selection processes of such third party rather than based on characteristics of a static portfolio of debt instruments or loans. As a result, one or more of the underlying investments or loans in a portfolio may not include some of the characteristics, covenants and/or protections generally sought when the Fund acquires or makes individual investments or loans. Furthermore, while some amount of defaults are expected to occur in portfolios, defaults in or declines in the value of investments in excess of these expected amounts may have a negative impact on the value of the portfolio and may reduce the return that the Fund receives in certain circumstances. In addition, in certain cases, the Fund may jointly make debt investments or originate or otherwise acquire a portfolio of loans, a unitranche loan or other assets with a view to dividing up the loans or other assets between them in accordance with their investment mandates.

Asset Backed Securities. The Fund may invest in asset backed securities (“ABS”), such as commercial mortgage-backed securities and other ABS structures. Returns from ABS will depend primarily on the cash flow from or sale proceeds of the pool of assets serving as collateral for the ABS and, therefore, are subject to all the risks inherent to an investment in such pool of assets. ABS structures are primarily exposed to the performance and credit risk of the underlying collateral, which may include consumer receivables, commercial loans, investment grade credit, high-yield credit and leveraged loans. In addition, many ABS have structural features that divert payments of interest and/or principal to more senior classes when the delinquency or loss experience of the pool exceeds certain levels. As a result, such securities have a higher risk of loss as a result of delinquencies or losses on the underlying assets. In certain circumstances, payments of interest may be reduced or eliminated for one or more payment dates and the average life may lengthen. Subordinate ABS generally do not have the right to call a default or vote on remedies following a default unless more senior securities have been paid in full. ABS are also subject to market segment specific risks such as legal changes to student loan repayment programs and environmental hazards limiting air travel.

Risks Associated with Investing in Structured Credit Instruments; Developments in the Structured Credit Markets and Their Broader Impact. The Fund may invest in structured credit instruments, including collateralized debt obligations, collateralized loan obligations, collateralized bond obligations, collateralized mortgage obligations and other similar securities. These may be fixed pools or may be “market value” or managed pools of collateral, including commercial loans, high yield debt, structured securities and derivative instruments relating to debt. The pools are typically separated into tranches representing different degrees of credit quality, with lower rated tranches being subordinate to senior tranches. The senior tranches, which represent the highest credit quality in the pool, have the greatest collateralization and pay the lowest spreads over treasuries. Lower rated tranches represent lower degrees of credit quality and pay higher spreads over treasuries to compensate for the attendant risks. Structured securities are extremely complex and are subject to risks related to, among other things, changes in interest rates, the rate of defaults in the collateral pool, the exercise of redemption rights by more senior tranches and the possibility that a liquid market will not exist in when the Fund

seeks to sell its interest in a structured security. Declines in the market value of mortgage-backed securities (“MBS”) and other structured investment products, especially those backed by subprime mortgages, were associated with significant market events resulting in the financial crisis of the late 2000s and the subsequent regulatory and market responses to the financial crisis. Increasing credit and valuation problems in the subprime mortgage market generated extreme volatility and illiquidity in the markets for MBS and other structured investment products directly or indirectly exposed to subprime mortgage loans. This volatility and illiquidity extended to the global credit and equity markets generally, and, in particular, to the high-yield bond and loan markets, exacerbated by, among other things, uncertainty regarding the extent of problems in the mortgage industry and the degree of exposure of financial institutions and others, decreased risk tolerance by investors and significantly tightened availability of credit. Except for agency residential MBS (“RMBS”), and despite modest increases in non-agency RMBS issuance, the market for RMBS has not significantly recovered (relative to the pre-financial crisis market) from these conditions and it is difficult to predict if or when the non-agency RMBS market will recover from such conditions. If the structured credit markets continue to face uncertainty or to deteriorate, then the Fund may not be presented with sufficient investment opportunities in MBS and other structured investment products, which may prevent the Fund from successfully executing investment strategies in such investments. Moreover, further uncertainty or deterioration in the structured credit markets could result in further declines in the market values of or increased uncertainty with respect to investments made or considered by the Fund, which could require Client Fund to dispose of investments at a loss while such adverse market conditions prevail.

Non-Performing Loans (“NPLs”). It is expected that the Fund will seek to acquire portfolios of loans that are non-performing and possibly in default. Furthermore, the obligor and/or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments with respect to these loans. Further, while most of these NPLs will be secured, some NPLs will not be secured. While investments in NPLs offer the opportunity for significant gains if all or a part of the principal on the loans is recovered, these investments involve a high degree of financial risk and can result in substantial or complete losses to the Fund.

Although the Adviser will attempt to manage these risks, there can be no assurance that the Fund’s investments in NPLs will prove profitable or that the Fund will not incur significant losses. There are varying sources of statistical default and recovery rate data for loans and other debt securities and numerous methods for measuring default and recovery rates. However, historical performance of financial assets is not necessarily indicative of their future performance.

Real Asset Investments. Real asset and real asset- related investments in whose debt the Fund may invest are subject to various additional risks, including changes in regional, national and international economic conditions, adverse local market conditions, changes in the financial condition of tenants, credit and other risks of buyers and sellers of properties, changes in the availability of debt financing, changes in interest rates, real estate tax rates and other operating expenses. Additionally, such portfolio companies may be subject to additional legal complications, including zoning laws and other governmental rules and fiscal policies. Further, such portfolio companies may be adversely affected by changes in the relative popularity of property types and locations of property held, risks due to dependence on cash flow, and operating problems arising out of the presence of certain construction materials.

Real Estate Market. The Fund may directly or indirectly make real estate-related investments. If the Fund makes real estate-related investments, such investments will be subject to the risks inherent in the ownership of real estate assets. These risks typically include fluctuations in the real estate markets,

slowdown in demand for the purchase or rental of properties, changes in the relative popularity of property types and locations, the oversupply of a certain type of property, changes in regional, national and international economic conditions, adverse local market conditions, the financial conditions of tenants, buyers and sellers of properties, changes in building, environmental, zoning and other laws and other governmental rules and fiscal policies, changes in real property tax rates or the assessed values of the investments, changes in interest rates and the availability or terms of debt financing, changes in operating costs, risks due to dependence on cash flow, environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established, uninsured casualties, risks due to dependence on cash flow and risks and operating problems arising out of the presence of certain construction materials, unavailability of or increased cost of certain types of insurance coverage, such as terrorism insurance, fluctuations in energy prices, acts of God, natural disasters and uninsurable losses, acts of war (declared and undeclared), terrorist acts, strikes and other factors which are not within the control of the Adviser.

The Fund may also make real estate credit-related investments, including investments in mortgage backed securities and investments in individual mortgages. Investments in mortgage backed securities are subject to the risks applicable to the risks described above in Asset Backed Securities as well as the risks applicable to real estate investments generally. With respect to particular real estate credit investments, real estate loans that are in default may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the principal of such loans. Even if a restructuring were successful, a risk exists that upon maturity of such real estate loan, replacement “takeout” financing will not be available. It is possible that the Adviser may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by the Fund. The foreclosure process can be lengthy, uncertain and expensive.

No Market for Limited Partner Interests; Restrictions on Transfer; No Right of Withdrawal. Limited partner interests in the Fund generally may not be transferred, sold, assigned, pledged or otherwise encumbered without the prior written consent of the General Partner, which may be withheld pursuant to the Partnership Agreement, and the volume of transfers permitted in any calendar year may be restricted in order to comply with certain safe harbors under the tax regulations promulgated under the U.S. Internal Revenue Code of 1986, as amended from time to time (the “IRC”). Voluntary withdrawals from the Fund will not be permitted except in very limited circumstances generally involving situations in which retaining an interest in the Fund would violate certain laws or regulations. In addition, interests in the Fund are not redeemable. There will be no public market for interests in the Fund, and none is expected to develop. Interests in the Fund have not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), the securities laws of any U.S. state or the securities laws of any non-U.S. jurisdiction and therefore cannot be re-sold unless they are subsequently registered under the Securities Act and other applicable securities laws, or unless an exemption from registration is available. It is not contemplated that the registration of interests in the Fund will ever be affected. Limited Partners may not be able to liquidate their investments in the Fund prior to its dissolution and should be prepared to bear the risks of an investment in the Fund for an extended, multi-year period of time.

Restricted Nature of Investment Positions. Generally, there may be no readily available market for Fund investments, and hence, some of the Fund’s investments will be difficult to value. Certain investments may be distributed in kind to the Partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Partners. After a distribution of securities is made to the Partners, many Partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The

price at which such securities may be sold by such Partners may be lower than the value of such securities determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

Broad Investment Guidelines. Although the Fund's objective is to make investments in the upstream and midstream oil and gas sectors, the General Partner may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner may pursue investments outside of the industries and sectors in which the Principals have previously made investments.

Recourse to the Fund's Assets. The Fund's assets, including all investments made by the Fund and any capital held by the Fund, are available to satisfy all liabilities and other obligations of the Fund, including indemnification of the General Partner and others as provided in the Partnership Agreement or certain other contractual counterparty arrangements. If the Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability. The likelihood of a liability extending beyond the specific investment giving rise to the particular claim is greater than in other investment funds due to the fact that the Fund is expected to reinvest current income and investment proceeds from one portfolio company in other portfolio companies. Accordingly, Limited Partners could find their interests in the Fund's assets adversely affected by a liability arising out of an investment in which they did not participate in the event that, for example, they were excluded or excused from such investment by the General Partner.

Trade Errors. Although the Adviser exercises due care in making and implementing investment decisions, employees of the Adviser from time to time make errors with respect to trades made on behalf of the Fund. Examples of trade errors include: (i) the placement of orders (either purchases or sales) resulting in excess exposure than the exposure the Adviser intended to create; (ii) the sale of a security when it should have been purchased; (iii) the purchase of a security when it should have been sold; (iv) the purchase or sale of the wrong security; (v) the purchase or sale of a security contrary to explicit regulatory restrictions or portfolio investment guidelines or explicit restrictions; and (vi) incorrect (*i.e.*, over or under) allocations of securities resulting in greater than the exposure the Adviser intended to create. Errors that do not result in transactions for a portfolio (such as those that result in a loss of an investment opportunity), or that result in lesser exposure than intended to be created, will not be viewed as trade errors. the Adviser will not be liable to the Fund in respect of a portfolio for any trading losses, liabilities, damages, expenses or costs resulting from trade errors by the Adviser or similar human errors except those losses, liabilities, damages, expenses or costs (i) resulting from the Adviser's intentional misconduct, bad faith or gross negligence and/or as otherwise set forth in the applicable Fund's Governing Documents or (ii) that may not be waived or limited under applicable law. Given the volume of transactions executed by the Adviser on behalf of a portfolio, investors should assume that trading errors (and similar errors) will occur and that the Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of the Adviser. When determining whether a trade error is the result of gross negligence or not, the Adviser does not determine whether the individual trading error resulted from the Adviser's gross negligence *per se*; rather, the Adviser considers if its supervisory procedures were inadequate to prevent such trading errors from recurring with any frequency. the Adviser will be conflicted when making such decision. The Adviser has a conflict of interest when determining whether losses resulting from a trading error will be borne by the Fund. From time to time, the Adviser or its affiliates may elect to voluntarily reimburse the Fund for losses suffered as a result of certain trade errors. However, notwithstanding the previous sentence, the Fund should not carry the expectation that a reimbursement will ever take place, and, in evaluating the Fund, no decisions should be made in reliance on the Adviser making any reimbursements to the Fund for losses suffered as a

result of such trade errors. Any decision to reimburse is not precedential and should not create the expectation of any reimbursement in the future.

Capital Calls. Capital calls will be issued by the General Partner from time to time at the sole discretion of the General Partner, based upon the General Partner's assessment of the needs and opportunities of the Fund. To satisfy such capital calls, Limited Partners may need to maintain cash or other assets that can be readily converted to cash equal to all or a substantial portion of their Commitments. Except as specifically set forth in the Partnership Agreement or under applicable law, rule or regulation each Limited Partner's obligation to satisfy capital calls will be unconditional. A Limited Partner's obligation to satisfy capital calls will not in any manner be contingent upon the performance or prospects of the Fund or upon any assessment thereof provided by the General Partner. Capital calls may not provide all of the information a Limited Partner desires in a particular circumstance and such information may not be made available and will not be a condition precedent for a Limited Partner to meet its funding obligation. Additionally, and notwithstanding the foregoing, the General Partner will not be obligated to call 100% of the Limited Partner's Commitment. The fees, costs and expenses incurred by a Limited Partner in fulfilling a capital call (e.g., bank fees, wire fees, value-added tax or other applicable charges imposed on a Limited Partner as well as internal and external administrative costs) will be borne solely by such Limited Partner and will be in addition to the amounts required by capital calls (and will not be part of or otherwise reduce their Commitments).

Significant Adverse Consequences for Default. The Partnership Agreement provides for significant adverse consequences in the event that a Limited Partner defaults on its Commitment or any other payment obligation. In addition to losing its right to potential distributions from the Fund, a defaulting Limited Partner may be forced to transfer its interest in the Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest. Whether and how to exercise the General Partner's remedies against a defaulting Limited Partner will be in the sole discretion of the General Partner, and the General Partner may require the non-defaulting Limited Partners to contribute capital to the Fund to make up for the shortfall created by such defaulting Limited Partner.

Failure of Fund to Meet Obligations. If a Limited Partner fails to pay installments of its Commitment when due, and the amount of capital contributions made by the non-defaulting Limited Partners plus any borrowings made by the Fund is inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially adversely affect returns to Limited Partners (including to non-defaulting Limited Partners).

Dilution from Subsequent Closings. Limited Partners admitted or that increase their respective Commitments to the Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing Limited Partners in such investments. Although any such new Limited Partner will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Fund's existing investments at the time of such contributions.

General Partner's Carried Interest. The fact that the General Partner's carried interest is based on a percentage of net profits may create an incentive for the General Partner to cause the Fund to make riskier or more speculative investments, to sell an investment sooner or to hold an investment longer than otherwise would be the case.

Transfer by General Partner. To the extent that the General Partner, its partners and investment professionals (including the Principals) and/or their respective affiliates commit to make a direct or indirect investment in or alongside the Fund, a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Partnership Agreement.

Reinvestment of Capital. The General Partner will have the option to reinvest or recall, as applicable, any amount distributed, subject to the terms of the Partnership Agreement. Accordingly, a Partner may be required to make capital contributions in excess of its Commitment and, to the extent such amounts are reinvested in other investments, a Partner will remain subject to investment and other risks associated with such investments. A Partner will need to reserve capital to fund recalls.

Fees and Expenses. The Fund will pay and bear all expenses related to its operations, including the Management Fee and the costs of holding, monitoring, maintaining and disposing of investments, including investment banking fees and consulting fees, whether or not the Fund makes any profits. While it is difficult to predict the future expenses of the Fund, such expenses may be substantial and may surpass the Fund's operating income. In addition, such expenses will reduce the actual returns realized by Limited Partners on their investment in the Fund and may, in certain circumstances, reduce the amount of capital available to be deployed by the Fund for investments. Such expenses include recurring and regular items, as well as unusual items for which it may be difficult to budget or forecast. As a result, the aggregate amount of such expenses over the life of the Fund and/or the amount called at any one time by the General Partner in respect of such expenses may exceed expectations.

Investments Longer than Term. Certain of the Fund's investments may not be disposed of prior to the Fund's dissolution. The General Partner has a limited ability to extend the term of the Fund and the Fund may be required to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of its dissolution. To the extent that such investments are held in trust in connection with the Fund's dissolution, such trusts may incur operating and formation expenses. In addition, there can be no assurance with respect to the timeframe in which the Fund's winding up and final distribution to the Partners will occur.

Non-Controlling Investments. The Fund may hold meaningful minority stakes in portfolio companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Fund at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. In such instances, the Fund may have limited management and/or control rights with respect to the operation of such companies and may be entirely dependent on the decisions of the portfolio company and/or third-party investors. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company or were otherwise granted control and/or management rights alongside any such company and/or third party investor. Even if the Fund has contractual rights to seek liquidity of the Fund's minority interests in such companies, it may be very difficult to sell such interests or to seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business objectives and goals. In addition, the Fund may co-invest with other persons or entities through partnerships, joint ventures or other entities or arrangements as a co-venturer or partner. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that: (i) the Fund and such co-venturer may reach an impasse on a major decision that requires the approval of both parties; (ii) a co-venturer or partner of the Fund may at any time have economic or business interests or goals that are inconsistent with those of the Fund; (iii) the co-venturer or partner may encounter liquidity or insolvency issues or may become bankrupt; (iv) the co-venturer or partner may be in a position to take action contrary to the Fund's investment objective; (v) the co-venturer or partner may take actions that subject the property to liabilities in excess of, or other than, those contemplated; or (vi) in certain circumstances the Fund may be liable for actions of its co-venturers or partners. The co-venturer or partner may be a joint venture partner or interest holder in another joint venture or other vehicle in which the Management Company or its affiliates has an interest or otherwise controls. The co-venturer or partner may also be entitled to receive payments

from, or allocations or performance-based compensation (e.g., carried interest) in respect of, the Fund and/or such investments, and in such circumstances, any such amounts will not, even if they have the effect of reducing any retainers or minimum amounts otherwise be payable by the Management Company or its affiliates, be deemed paid to or received by such persons or entities or reduce the Management Fee. In addition, the Fund may co-invest with non-affiliated co-investors or partners whose ability to influence the affairs of the companies in which the Fund invests may be significant, and even greater than that of the Fund and as such, the Fund may be required to rely upon the abilities and management expertise of such co-venturer or partner. It may also be more difficult for the Fund to sell its interest in any joint venture, co-investment, partnership or entity with other owners than to sell its interest in other types of investments (and any such investment may be subject to a buy-sell right). The Fund may grant co-venturers or partners approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks or unanticipated exits from an investment. A deadlock could delay the execution of the business plan for the investment or require the Fund to engage in a buy-sell of the venture with the co-venturer or partner or conduct the forced sale of such investment or require alternative dispute resolution in order to resolve such deadlock. As a result of these risks, the Fund may be unable to fully realize its expected return on any such investment. Further, to the extent that the Fund offers any co-investment opportunity to any Limited Partners or third parties, some or all of the risks described above may also apply to such co-investments.

Distributions in Kind. The Fund intends to make distributions in cash or marketable securities, however it is possible that under certain circumstances (including the winding up of the Fund), distributions of investments for which there is no readily available public market and/or which may be subject to substantial restrictions on sale or transfer may be made in kind. It may be difficult for Limited Partners to liquidate an investment received via an in-kind distribution at an attractive price or within an ideal time period and significant administrative burden may be involved. Following an in-kind distribution by the Fund, in certain cases, some or all of the Partners in receipt of a distributed investment may determine to dispose of such investment within a short period of time, which could negatively impact the price of such investment. Limited Partners in receipt of a distributed investment will receive no guidance from the Fund, the Management Company or the General Partner with respect to disposition of such investment (including the timing of such disposition). The price at which distributed investments may be sold by Limited Partners may be lower than the value of such investments determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest accrued to the General Partner with respect to such investment. In addition, the direct holding of certain investments may subject the holder to suit or taxes in jurisdictions in which such investments are located.

Separate Agreements with Limited Partners. The rights, duties and obligations of the Partners generally are set out, and the treatment of Limited Partners is described, in the Partnership Agreement. However, the General Partner may enter into additional written agreements (“Side Letters”) with one or more Limited Partners. These Side Letters may entitle a Limited Partner to make an investment in the Fund on terms other than those described herein. Any such terms, including with respect to (i) economic arrangements (including alternative fee or other compensation arrangements); (ii) excuse from participating in particular investments and/or withdrawal events; (iii) additional or different reporting obligations of the Fund; (iv) the ability to transfer to affiliates or other parties; (v) co-investment opportunities; (vi) limits on indemnification obligations; (vii) withdrawal rights due to adverse tax or regulatory events; (viii) consent rights to certain Partnership Agreement amendments; or (ix) any other matters described therein, may be more favorable than those offered to any other Limited Partners. In certain instances, a Side Letter entered into with a Limited Partner may have an adverse effect on the Fund; for example, if the General Partner or the Fund enters into a Side Letter entitling a Limited Partner to be excused from a particular investment or withdraw from the Fund, any election

to be excused by such Limited Partner may increase other Limited Partners' pro rata interests in that particular investment (in the case of an opt-out) or all future investments (in the case of a withdrawal).

To the fullest extent not prohibited by applicable law, the General Partner shall have no obligation to give the Limited Partners notice of any Side Letters entered into.

Disclosure of Confidential Fund and Investor Information. The General Partner expects that certain Limited Partners will be entities that are subject to public disclosure requirements, including U.S. state public records or similar freedom of information laws that may compel public disclosure of confidential information regarding the Fund, its investments and/or the Limited Partners. In recent years, an increasing number of requests for disclosure of fund documents (including partnership agreements, subscription agreements and side letters) have been made in respect of entities subject to such requirements. The Fund may incur expenses in connection with responding to any such disclosure request, even if the Fund ultimately succeeds in asserting confidentiality in respect of requested documentation. Moreover, notwithstanding the obligation of Limited Partners pursuant to the Partnership Agreement to maintain the confidentiality of certain Fund information, there can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement or other persons or entities. Under some circumstances, the General Partner may, in an effort to protect against any such potential disclosure, withhold all or any part of the information that would otherwise be provided to a Limited Partner, as more fully described in the Partnership Agreement. There can be no assurance that confidential information will not be disclosed by the Fund, the General Partner, the Management Company, their affiliates and personnel or services providers to any Limited Partner (including to comply with applicable laws, rules, regulations or policies). In addition, under the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC has the authority to require private equity fund advisers to file additional reports with the SEC regarding their funds and investment activities. Any public disclosure of Fund information could have an adverse effect on the Fund and its investors, for example, by affecting the Fund's competitive advantage in finding attractive investment opportunities or investors.

Requests for Additional Information. Each Limited Partner will be required to comply promptly with reasonable requests for information made by the General Partner in order for the Fund to satisfy any request for information in connection with the operation of the Fund, including requests made by any U.S. federal, state or local or non-U.S. regulatory authority, agency, committee, court, exchange or self-regulatory organization (e.g., obtaining approvals necessary for the making, holding or disposition of any portfolio company).

Cyber-Security. The information technology systems of the General Partner, the Management Company, the Fund and the Fund's portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events (including fires, tornadoes, floods, hurricanes and earthquakes). If such a system is compromised, becomes inoperable for an extended period of time or ceases to function properly, the General Partner, the Management Company, the Fund and/or a portfolio company may be required to spend time and/or incur expenses seeking to fix or replace such system or otherwise remedy the effects of such issues. The failure of such a system and/or disaster recovery plan may cause significant interruptions in the General Partner's, the Management Company's, the Fund's, and/or a portfolio company's operations and may result in a failure to maintain the security, confidentiality or privacy of sensitive data (including information relating to Limited Partners and/or the beneficial owners of Limited Partners). Such a failure could harm the General Partner's, the Management Company's, the Fund's, a portfolio company's, a Limited Partner's or a beneficial owner of a Limited Partner's reputation, subject such persons to legal claims, or otherwise affect their business and financial performance.

In addition, the oil and gas sector has become increasingly dependent on digital technologies to conduct certain exploration, development and production activities. The General Partner and portfolio companies may depend on digital technology to estimate quantities of oil and gas reserves, process and record financial and operating data, analyze seismic and drilling information, and communicate internally and with third parties. Unauthorized access to seismic data, reserves information or other proprietary or commercially sensitive information could lead to data corruption, communication interruption, or other disruptions in exploration or production operations or planned business transactions, any of which could have a material adverse impact on the operating results of the Fund's investments, and, therefore, of the Fund. Further, as cyberattacks continue to evolve, the General Partner may be required to expend significant additional resources to continue to modify or enhance its protective measures or to investigate and remediate any vulnerabilities to cyberattacks.

Electronic Delivery of Certain Documents. Pursuant to the subscription agreement entered into by a Limited Partner, a Limited Partner may consent to electronic delivery (including email, facsimile or posting on the Fund's web-based investor reporting site or other Internet service in accordance with the Partnership Agreement) of (i) any notices or communications required or contemplated to be delivered to such Limited Partner by the Fund, the General Partner or any of their respective affiliates pursuant to applicable law or regulation (including the IAA), at the option of the person making such delivery, and (ii) capital call notices, other notices, requests, demands, consents and communications, and financial statements, reports, schedules, certificates or opinions required to be provided to such Limited Partner under the Partnership Agreement or under any side letter or other similar agreement with such Limited Partner. There are certain costs and risks (e.g., system outages) associated with electronic delivery, and there can be no assurance that any electronic delivery method is secure. The General Partner generally will not be responsible for any computer viruses, malfunctions, information theft or other problems that may be associated with the use of electronic delivery in connection with the Fund's activities.

Impacts of Excuse or Exclusion. A Limited Partner's participation in the Fund's investments may be limited by virtue of the General Partner's right to exclude a Limited Partner from, or a Limited Partner's right to be excused from, participating in certain of the Fund's investments as set forth in the Partnership Agreement, thereby increasing the participation of other Limited Partners and increasing such other Limited Partners' concentration with respect to such Fund investments. As a consequence of one or more Limited Partners being excused or excluded or other factors limiting their participation in investments, the aggregate returns realized by the participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of even one investment by the Fund.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of adviser's management.

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory services or the integrity of management.

Item 10 - Other Financial Industry Activities and Affiliations

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.

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.

In connection with sponsoring any Fund, the Adviser will also sponsor an affiliated General Partner for such Fund (the “General Partner”), which will receive the Performance Fee described in Item 5.

The Adviser’s Principals or affiliates may from time to time become members of and make capital contributions to the Fund(s). In the view of the Principals, this aligns the interests of the Principals and its affiliates with the Fund(s) and its investors and does not result in any conflicts of interest between the Adviser and the Fund(s). Additionally, the Principals are also bound by the Adviser’s Code of Ethics as discussed in Item 11 below.

Members, principals, officers and employees of the Adviser and its affiliates, including the General Partner, hold positions on the boards of directors of certain private companies, including companies in which the Fund invests or may invest in the future. In addition, in their capacity as officers or directors of companies, such individuals may become subject to fiduciary or other duties which can adversely affect the Fund. For example, the Fund may be unable to sell or otherwise dispose of portfolio securities if a director of the portfolio company is an employee of the Adviser or General Partner and is in possession of material, non-public (i.e., “inside”) information relating to the issuer.

The Adviser does not recommend or select other investment advisers for its Clients.

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

Code of Ethics

For the purposes of this Item 11, references to the “Fund” or “Fund” shall include any successor investment Fund that may be established by the Adviser, the General Partners or affiliates of the Adviser or the General Partners.

The Adviser has adopted a Code of Ethics (the “Code”) that sets forth standards of conduct that are expected of the Adviser’s principals and employees and addresses conflicts that may arise from personal trading and outside business activities. The Code subjects each principal and employee to appropriate restrictions on activities and investments, and provides information on certain prohibited transactions, The Adviser’s internal review and compliance procedures, including quarterly and annual reporting requirements, and well-defined rules of business conduct, are all intended to prevent or detect potential conflicts of interest. The Code also includes policies and procedures to prevent the misuse of material non-public information in the Adviser’s possession. Strict compliance with the Code and applicable securities laws is a condition of employment with the Adviser, and each principal and employee are obligated to individually read and retain a copy of the Code, as well as certify that he or she has read and understands the Code. The Adviser reviews compliance with the Code on an ongoing basis, and employees may be subject to disciplinary actions as severe as dismissal for certain infractions.

The Adviser and its affiliates may come into possession from time to time of material nonpublic or other confidential information. Under applicable law, the Adviser and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, including the Funds. Accordingly, should the Adviser or any of its affiliates come into possession of material nonpublic or other confidential information with respect to any public company, they would be prohibited from communicating such information to the Funds.

All employees who are access persons (as defined by the Advisers Act) are required to submit an initial, and thereafter, annual, holdings report, as well as quarterly transaction reports or equivalent brokerage statements, detailing the securities held, purchased or sold during the relevant period, except as otherwise exempted by the Advisers Act. In addition, all employees must pre-clear securities trades in an initial public offering or private placement, to ensure that potential conflicts of interest are adequately identified and addressed in a timely manner, and in securities maintained on the Adviser’s restricted list, which consists of securities of companies that the Adviser has determined its employees should not be trading, generally because the Adviser may be in possession of material non-public information relating to such company. The trading restrictions of the Code do not apply to (i) purchases or sales in any managed account over which an employee has no direct or indirect influence or control, or ability to direct any investment decision, (ii) purchases that are part of any automatic dividend reinvestment plan or direct investment program, and (iii) purchases effected upon the exercise of rights issued by an issuer pro-rata to all holders of a class of securities to the extent such rights were acquired from such issuer, sales of such rights.

The Code also includes, among other things, requirements that all employees (i) conform their business conduct to applicable state and federal laws and regulations, and (ii) obtain pre-approval of any outside business activities that involve a time commitment that could reasonably be expected to have an adverse effect on the employee’s work at the Adviser or conflict with the limited partnership agreement of any Funds or provide for material compensation to the employee.

The Adviser has also adopted a compliance program, which includes, among other things, a records retention and communication policy, an information security program intended to protect the

confidentiality of the information retained by the Adviser and policies designed to ensure compliance with applicable laws and regulations.

The foregoing policies are designed to comply with SEC requirements that registered investment advisers have a Code of Ethics. The Adviser's Code of Ethics is available for review upon request. You may request a copy of the Code by contacting our Chief Compliance Officer, Ben Doramus at (646) 729-8315 or bdoramus@d2-am.com.

Item 12 – Brokerage Practices

The Adviser has discretion, subject to the Clients' investment objectives, to determine the securities to be purchased or sold and in what amounts for each Client, the broker-dealers and other financial intermediaries to be used in effecting transactions for the Client, and the commission rates to be paid for such transactions

The Adviser is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Adviser. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

The Adviser has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Adviser generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Adviser seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Adviser generally does not make use of such services at the current time and has not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed income data service, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of the Adviser's Funds. However, each and every research service may not be used for the benefit of each and every Fund managed over time by the Adviser, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between the Adviser and its affiliates.

The Adviser currently does not engage in soft dollar transactions but may engage in soft dollar transactions in the future in accordance with the limitations of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Orders for purchase or sale of public securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, the Adviser may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, the Adviser may, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining the best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of the Adviser is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

In the Adviser's private company securities transactions on behalf of the Funds, the Adviser may retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, the Adviser may consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although the Adviser generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

Item 13 – Review of Accounts

Oversight and Monitoring

The investments made by the Funds include public securities and private securities. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors companies in which the Funds invest, and the Adviser's Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Reporting

Annually, the Fund will furnish audited financial statements and tax information necessary for the completion of U.S. income tax returns to all Limited Partners. On a quarterly basis, each Limited Partner will be furnished with unaudited financial statements of the Fund.

Item 14 – Client Referrals and Other Compensation

The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Fund. Any arrangement to compensate a person or entity for soliciting business or potential Clients for the Adviser must be first proposed to, and approved, by the CCO. The CCO will maintain a file of approved solicitors. Such file will contain (i) the name of the solicitor, (ii) the date on which the solicitor was approved by the CCO, (iii) the date on which the Company engaged the solicitor, if any, and (iv) a copy of the solicitation agreement between the solicitor and the Adviser.

Item 15 – Custody

The Adviser is deemed, under Rule 206(4)-2 of the Advisers Act, to have custody of the assets of the Fund by virtue of the common control of the Adviser and the General Partner of the Fund. All assets and securities of the Fund are held by qualified custodians. As noted in Item 13 above, Fund investors receive annual financial statements audited by an independent public accounting firm. Fund investors are urged to carefully review these statements.

Item 16 – Investment Discretion

Investment advice is provided directly to the Fund, subject to the direction and control of the General Partner of each Fund, and not individually to the investors in the Fund. Services are provided to the Fund in accordance with the Governing Documents of the applicable Fund. Investment restrictions for the Fund, if any, are generally established in the Governing Documents of the applicable Fund.

Item 17 – Voting Client Securities

The Adviser has the authority to vote proxies on behalf of the Funds. The Adviser may be delegated the authority to vote proxies for other client accounts to the extent provided in a written agreement with a particular client.

The Adviser's proxy voting policies and procedures are designed to ensure that in cases where it votes proxies with respect to client securities, such proxies are voted in the best interests of such clients, and that any material conflict of interest between our interests and the interests of our clients will be resolved in a manner that is consistent with the best interests of clients and in a manner not affected by such conflict of interest.

To the extent the Adviser is authorized to vote proxies for a client account, invest in a security for a client account for which a proxy vote may arise and receive timely notice of such proxy from the client's custodian, the Adviser will be guided by general fiduciary principles and will seek to act in a manner intended to enhance the overall economic value of the applicable security. However, depending on the securities in which the Clients are invested, the Adviser may not frequently vote proxies. For example, the Adviser may refrain from voting a client proxy under certain circumstances, including, but not limited to, when (i) the economic effect on shareholder's interests or the value of the portfolio holding is indeterminable or insignificant; (ii) voting the proxy would unduly impair the investment management process; or (iii) the cost of voting the proxies outweighs the benefits or is otherwise impractical. In addition, the Adviser may abstain from voting a proxy on behalf of our clients' accounts due to (1) de minimis holdings; (2) de minimis impact on the portfolio; (3) contractual arrangements with clients; (4) their authorized delegates or the failure of a proxy to provide sufficient information to allow for informed decision making; and/or items relating to non-U.S. issuers.

The Adviser may engage a third-party proxy voting service to vote proxies on behalf of clients and in such case, may, when it is believed to be in the best interest of clients, adopt such third-party's proxy voting policies and guidelines; the cost of any such third-party proxy voting service may be borne by such clients, as applicable. If engaged, the Adviser generally expects that it would vote with the advice of the third-party proxy voting service whose recommendations are intended to be in the best economic interest of investors; however, the Adviser may override any recommendation of such proxy voting service that it does not believe is in the best interest of its Clients.

You may contact our office at (646) 729-8315 for any questions.

Item 18 – Financial Information

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