

**INVESTMENT ADVISER BROCHURE  
PART 2A OF FORM ADV**



**Energy Capital Partners Management, LP  
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**April 29, 2024**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Energy Capital Partners Management, LP. If you have any questions about the contents of this Brochure, please contact us at (973) 671-6100 or [compliance@ecpgp.com](mailto:compliance@ecpgp.com). 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 authority.**

Energy Capital Partners Management, LP is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information regarding Energy Capital Partners Management, LP is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ***ITEM 2 MATERIAL CHANGES***

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Since its last annual update of its Brochure, filed on March 29, 2024, Energy Capital Partners Management, LP (“ECP Management”) updated this Brochure to reflect revised regulatory assets under management. There are no other material updates to this Brochure since the annual update, filed on March 29, 2024.

ECP Management routinely makes changes throughout its Brochure in an effort to improve and clarify the descriptions of its and its affiliates’ business practices and compliance policies and procedures or in response to evolving industry and firm practices.

We encourage all recipients to read this Brochure carefully in its entirety.

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***ECP Fund Managers***

Energy Capital Partners Management, LP (“ECP Management”) is a Delaware limited partnership and registered investment adviser that began operations in April 2005. ECP Management and its affiliated registered investment advisers (as described in Item 10 “*Other Financial Industry Activities and Affiliations*” below, together with ECP Management, the “Advisers” and, collectively, with their affiliated entities, “ECP”) provide investment advisory services to ECP’s private fund clients. Each Adviser, other than ECP Management, is registered in accordance with SEC guidance under the Advisers Act.

The Advisers’ clients include Fund III (defined below), Fund IV (defined below), Fund V (defined below), the Mezzanine Fund (defined below), Credit Solutions II (defined below), Renewable Power Fund Plus, LP (“RPF+”), ECP ETO (defined below), TG Growth Fund (defined below), Calpine CF (defined below, and together with Fund III, Fund IV, Fund V, the Mezzanine Fund, RPF+, ECP ETO, TG Growth Fund, and Credit Solutions II, each a “Fund” and, collectively, the “Funds” and, together with any future private fund client managed by ECP, the “ECP Advised Funds”). The ECP Advised Funds are managed by ECP Management or its relying adviser. Additionally, as further described in Item 11 “*Participation or Interest in Client Transactions*,” the Advisers have provided and will continue to provide (or agree to provide) certain investors or other persons the opportunity to participate in co-invest vehicles (each a “Co-Invest Fund”) that will invest in certain portfolio companies alongside a Fund. Unless otherwise noted, references throughout this Brochure to “ECP Advised Fund” or “ECP Advised Funds” are generally intended to include the Co-Invest Funds.

The Advisers are generally operated as a single advisory business and are managed by a board of partners whose members are Douglas Kimmelman, Peter Labbat, Tyler Reeder, Andrew Singer and Rahman D’Argenio (collectively, the “ECP Partners”). In addition, investment funds affiliated with Blue Owl Capital (“Blue Owl”) and Sumitomo Mitsui Trust Bank, Limited (“SMTB” and together with Blue Owl, the “Passive Partners”) hold an indirect passive minority right to certain cash flows in ECP Management and the general partners of the Funds. The Passive Partners have no authority over the day-to-day operations or investment decisions of the Advisers or the Funds, although each of the Passive Partners does have certain customary minority protection consent rights.

The Advisers’ investment advisory services to the ECP Advised Funds include sourcing, evaluating, negotiating, overseeing, managing and disposing of investments in the energy industry. ECP tailors its advisory services in accordance with each Fund’s investment strategy as disclosed in such Fund’s offering documents. Further specific details of the Advisers’ advisory services are set forth in an ECP Advised Fund’s respective private placement memoranda, management agreements and partnership and subscription agreements (collectively, the “Fund Documents”) and are further described below in Item 8, “*Methods of Analysis, Investment Strategies and Risk of Loss*.”

## ***ECP ADVISED FUNDS***

As used in this Brochure:

- Fund III consists of Energy Capital Partners III, LP along with any related parallel vehicles, feeder vehicles and alternative investment vehicles (collectively, “Fund III”).
- Fund IV consists of Energy Capital Partners IV-A, LP along with any related parallel vehicles, feeder vehicles and alternative investment vehicles (collectively, “Fund IV”).
- Fund V consists of ECP V, LP along with any related parallel vehicles, feeder vehicles and alternative investment vehicles (collectively “Fund V”).
- ECP ETO consists of ECP Energy Transition Opportunities Fund, LP along with any related parallel vehicles, feeder vehicles and alternative investment vehicles (collectively, “ECP ETO”).
- TG Growth Fund consists of ECP Terra-Gen Growth Fund, LP along with any related parallel vehicles, feeder vehicles and alternative investment vehicles (collectively, the “TG Growth Fund”).
- Calpine CF consists of ECP Calpine Continuation Fund, LP along with any related parallel vehicles, feeder vehicles and alternative investment vehicles (collectively, the “Calpine CF” and, together with, Fund III, Fund IV, Fund V, TG Growth Fund and ECP ETO, the “Equity Funds”).
- Mezzanine Fund consists of Energy Capital Partners Mezzanine Opportunities Fund, LP along with any related parallel vehicles, feeder vehicles and alternative investment vehicles (collectively, the “Mezzanine Fund”).
- Credit Solutions II consists of Energy Capital Partners Credit Solutions II-A, LP along with any related parallel vehicles, feeder vehicles and alternative investment vehicles, (collectively, “Credit Solutions II” and, together with the Mezzanine Fund, the “Credit Funds”).

Investors in the ECP Advised Funds participate in the overall investment program for the applicable Fund but could be excused from a particular investment due to legal, regulatory, or other applicable constraints. Co-Invest Funds will be formed to co-invest alongside the main Funds (as described above) in certain portfolio companies. The Advisers have offered and may in the future offer certain investors or other persons (including rolling sellers and portfolio company personnel, among others) the opportunity to invest directly in a portfolio company. The Advisers have sole discretion in offering such investment opportunities (through a Co-Invest Fund or otherwise), and such investment opportunities typically will be offered to some and not to other Fund or third-party investors. In circumstances where an entire investment could be made by a Fund, the Advisers are permitted to allocate a portion of such investment to one or more Co-Invest Funds or other investors in accordance with the applicable Fund Documents and the Advisers’

allocation policy. Additionally, the Advisers have entered into, and will in the future enter into, fund-of-one or other separately managed account-type arrangements (any such vehicles, including without limitation RPF+, the “Tailored Vehicles”). Such arrangements generally are tailored to a specific investor or group of investors and typically are expected to target different investment returns and/or different or narrower investment strategies than those pursued by the Equity Funds or the Credit Funds and are also generally managed on a non-discretionary basis. The Tailored Vehicles are permitted to also invest in different parts of the capital structure than the Equity Funds or the Credit Funds or hold minority positions in portfolio companies.

The Advisers have entered, and may in the future enter, into side letters or other similar agreements with certain investors that have the effect of establishing rights under, supplementing, or altering a Fund’s partnership agreement or an investor’s subscription agreement. Such rights or alterations could be regarding economic terms, fee structures, excuse rights, information rights, investment limitations, co-investment rights (including the provision of stated co-invest opportunities or priority allocation rights to, for example, limited partners who have capital commitments in excess of certain thresholds to one or more ECP Advised Funds), or transfer rights, among others. For the most part, any rights established, or any terms altered or supplemented will govern only the investment of the specific investor and not the terms of a Fund as whole. Certain such additional rights but not all rights, terms or conditions may be elected by certain sizeable investors with “most favored nations” rights pursuant to a Fund’s limited partnership agreement. In addition, the Advisers generally make such side letters relating to a particular Fund available to all limited partners of such Fund.

***The information provided above about the investment advisory services provided by the Advisers is qualified in its entirety by reference to the Fund Documents of the ECP Advised Funds.***

As of April 29, 2024, the Advisers managed approximately \$19,435,000,000 in client assets on a discretionary basis and approximately \$419,000,000 in client assets on a non-discretionary basis. Since inception, the Advisers have raised over \$29 billion in capital commitments.

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## **ITEM 5 FEES AND COMPENSATION**

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As detailed below, the Advisers typically receive management fees and carried interest in connection with providing investment advisory services to the ECP Advised Funds. Generally, investors in an ECP Advised Fund pay management fees quarterly in advance until the termination of the respective Fund. Installments of the management fee payable for any period other than a full quarterly period generally are adjusted on a *pro rata* basis according to the actual number of days in such period. Investors in the Funds also bear certain Fund expenses as further described below. Except for rare circumstances described in the applicable partnership agreement of each ECP Advised Fund or in an investor’s side letter, investors generally are not permitted to withdraw or redeem interests in the ECP Advised Funds.

With respect to Co-Invest Funds, any fees received by an Adviser are generally negotiated on a vehicle-by-vehicle basis, but could include commitment-based fees, performance-based fees or allocations, expense reimbursements or other administrative fees similar to those described below relating to the Funds. Any such management or administrative fees received by an Adviser relating to a Co-Invest Fund do not offset the management fees paid to the Advisers by the Funds.

The Advisers have exempted and may in the future exempt past or present principals, employees, senior advisors, certain service providers (or their employees), the Passive Partners and certain executive management members of portfolio companies from payment of all or a portion of management fees and/or carried interest. For example, certain past and present of ECP's principals, employees, senior advisors, certain service providers (or their employees), the Passive Partners and certain executive management members of portfolio companies are not subject to management fees or carried interest on their direct or indirect investment in one or more of the ECP Advised Funds. Additionally, the Advisers have, and in the future will form Co-Invest Funds that are not subject to management fees or carried interest. The Advisers also have, and in the future will reduce management fees and/or carried interest through side letter arrangements in certain instances, for example where certain investors have made an early commitment, a large commitment, multiple commitments, or any other material concession to one or more of the ECP Advised Funds.

After payment of all overhead and management expenses, principals, other employees (past and present), the Passive Partners and senior advisors of ECP will receive residual portions of the management fee, carried interest or other compensation received by ECP Management or the other Advisers.

As permitted under the respective partnership agreement, other than with respect to Fund V, the Advisers will waive a portion of the management fee in order to make a "cashless contribution" to an ECP Advised Fund. Upon a waiver, the investors in a Fund are then required to make a corresponding contribution according to their respective commitments to fund any such waived management fee that the Advisers elect to treat as a cashless contribution and, as a result, the exercise of such waiver will result in an acceleration of investor capital contributions.

Further specific details of management fees, performance-based fees or allocations, fund expenses and fee waivers are described below, but more fully set forth in an ECP Advised Fund's respective private placement memorandum and limited partnership agreement.

### ***MANAGEMENT FEE***

Management fees are generally paid by or on behalf of an ECP Advised Fund by (i) requiring investors to make capital contributions in respect of such fees, or (ii) withholding the amounts of such fees from investment proceeds that would otherwise be distributable to the investors of such ECP Advised Fund. Except where the governing documents of an ECP Advised Fund expressly provide to the contrary, the amount of management fees generally will not correspond with fluctuations in a Fund's net asset value. Therefore, management fees generally will not be reduced (in whole or in part) in the event of partial distributions (including dividends, distributions of cash flows and recapitalizations), partial sales, or restructuring of investments, except where the governing documents of an ECP Advised Fund expressly provide to the contrary. Such governing documents may also provide that an ECP Advised Fund's borrowings may be taken into account for purposes of calculating the management fee.

The governing documents of each ECP Advised Fund set forth the precise amount and calculation of the management fees and the full list of terms under which a management fee will be reduced, offset or otherwise be limited. Investors should expect to bear the full specified management fee in the relevant governing documents until reduced in the circumstances and on the date(s) specified therein.



### *Equity Funds*

Except as noted above or herein, during an Equity Fund's commitment period, such Equity Fund pays an annual management fee of up to 1.75% of aggregate investor capital commitments. The TG Growth Fund's management fee is generally paid on invested capital and the face amount of certain letters of credit. ECP ETO's and Calpine CF's management fee is generally paid on invested capital. After the commitment period expires (or upon the occurrence of certain other events set forth in each Fund's partnership agreement, such as raising a successor fund of a certain size), except for Fund V, an Equity Fund's management fee rate is typically reduced. Following expiration of the commitment period, the management fee is generally paid only on remaining invested capital net of any investment with a fair market value of ten percent or less, as determined by the Advisers. Investors who participated in a closing of an Equity Fund after the initial closing of a Fund are still responsible for payment of the management fee from the initial closing date of such Fund.

### *Credit Solutions II*

Initially, Credit Solutions II pays an annual management fee equal to 0.75% of the aggregate acquisition cost of Credit Solutions II investments. Upon the occurrence of certain events, including Credit Solutions II being fully invested or the expiration of its original commitment period, Credit Solutions II will pay an annual management fee equal to the sum of 0.75% of the aggregate acquisition cost of then existing Credit Solutions II investments or if less (for investments described in the following clauses (i) and (ii)), (i) in the case of any debt investment, the unpaid principal amount and accrued interest with respect to such debt investment, and (ii) in the case of any equity investment providing for a liquidation or similar preference plus an accruing yield thereon, the unpaid amount of the liquidation or similar preference and accrued yield thereon, in each case, other than Credit Solutions II investments that have been written-off.

### ***PERFORMANCE-BASED FEES***

Distributions to investors in a Fund are typically subject to carried interest or other profit-based allocations for the benefit of an Adviser, other than in a Co-Invest Fund. Generally, this carried interest represents a share of distributions made after return of invested capital, allocable fees and expenses and a preferred annualized "hurdle" rate of return. Carried interest allocations do not exceed 20% of profits and are generally subject to general partner catch-ups. Except as noted below, carried interest distributions also include an Adviser "clawback" obligation generally requiring an Adviser to return excess distributions to investors (often at the end of the Fund) in the event that an Adviser receives more than its carried interest percentage of profits on an aggregate basis over the life of a Fund. Such "clawback" obligation is calculated on an after-tax basis. The ECP Advised Funds typically employ a "European-style" carried interest structure where a Fund returns all called capital (including capital called for fees and expenses) plus a preferred annualized "hurdle" return to investors before an Adviser receives a carried interest distribution, although such structure may vary in a Tailored Vehicle. Because our affiliates are subject to income tax liabilities relating to carried interest when such carried interest is accrued as opposed to paid, in accordance with the Funds' partnership agreements our affiliates are permitted to cause our Funds to make distributions to them in amounts sufficient to permit the payment of the tax obligations of our affiliates and their direct and indirect owners. These advances will reduce any amounts of carried interest that we and our affiliates later receive until these advances are restored to the Funds. In the event that such tax distributions exceed the actual amount of carried interest to which we or



such affiliates are entitled, we and such affiliates are not obligated to return any such excess distributions.

### ***TAILORED VEHICLE FEES***

Tailored Vehicles, such as RPF+, pay fees and expenses, including without limitation management fees, performance-based fees or allocations, and fund expenses, the terms of which are specific to each Tailored Vehicle as more fully set forth in each Tailored Vehicle's governing or other operative documents.

### ***OTHER FEES AND POTENTIAL CONFLICTS OF INTEREST***

To the extent that an Adviser is entitled to receive fees from a Fund's portfolio company (e.g., break-up fees, director's fees, monitoring fees and transaction fees) (the "Offset Fees"), one hundred percent of the Fund's *pro rata* share of Offset Fees offsets the management fees otherwise payable to the applicable Adviser by such Fund in accordance with the partnership agreement of such Fund, except where the governing documents of an ECP Advised Fund expressly provide to the contrary. Co-Invest Funds and other equity holders in the portfolio company that do not pay management fees do not receive the benefit of such offsets or otherwise share in such fee income, thus an Adviser is permitted to retain the portion of such Offset Fees that would be otherwise allocated to such Co-Invest Funds or other equity holders. Offset Fees are applied to offset the management fee after taking into account any management fee waiver.

The receipt of Offset Fees generally gives rise to potential conflicts of interest between the Fund, on the one hand, and the Advisers, on the other hand, to the extent, for example, an Adviser is incentivized to make an investment or provide a service to earn Offset Fees. However, the Advisers believe that this potential conflict of interest is mitigated by the management fee offset mechanic described above and the substantial equity commitment by the Advisers and their principals in each of the Funds.

The Advisers and their personnel can also be expected to receive certain intangible and/or other benefits arising or resulting from their activities on behalf of the ECP Advised Funds, which will not be subject to management fee offsets or otherwise shared with the ECP Advised Funds, their investors and/or portfolio companies. For example, airline travel or hotel stays incurred as fund expenses typically result in "miles" or "points" or credit in loyalty or status programs, and such benefits will accrue exclusively to the Advisers or their personnel (and not to the ECP Advised Funds, their investors and/or portfolio companies) even though the cost of the underlying service is borne directly by the ECP Advised Funds or their portfolio companies and indirectly by the investors in an ECP Advised Fund. Furthermore, in the course of the Advisers' operations, the Advisers receive and generate various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics, some of which is sometimes referred to as "big data." This information is expected to, in certain instances, include material non-public information received or generated in connection with efforts on behalf of a Fund's investment (or prospective investment) in a portfolio company. As a result, the Advisers expect to be better able to anticipate macroeconomic and other trends and opportunities, enhance and improve operations of portfolio companies and otherwise develop investment strategies. The Advisers expect to also utilize such data for the purposes of identifying new investment opportunities for the Funds. Although the Advisers believe these activities generally improve their investment management activities on behalf of the Funds, information obtained from Funds and their portfolio companies also provides

material benefits to the Advisers and the Funds without compensation or other benefit accruing to such Funds or their respective investors. Portfolio companies expect to incur incremental expenses in collecting and organizing information requested or required to be furnished to the Adviser (which expenses are indirectly borne by the Funds). In addition, the Advisers have in the past and expect in the future to enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. In certain instances, the Advisers have in the past and expect in the future to use this information in a manner that will provide a material benefit to an Adviser, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund(s) from which such information was obtained. Therefore, the Advisers have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Ultimately, except for (i) contractual obligations to third parties to maintain confidentiality of certain information, (ii) policies, practices and procedures designed to ensure confidentiality of trade secrets and (iii) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, the Advisers are generally free to use data and information from a Fund's activities in their sole discretion for the benefit of the Advisers and other Funds.

### *Operations Group*

Certain persons employed or retained by the Advisers or their respective affiliates provide assistance to one or more portfolio companies with business development, capital markets support, interim management, strategy development and execution, advice on general industry trends, finance, manufacturing, sales, marketing, technology, human resources, acquisition integration and/or other operations services (collectively, the "Operations Group"). The salary and benefits provided to such Operations Group members will be borne by the Advisers, however the Operations Group members are permitted to receive certain director's fees and incentive compensation (including, profits or equity interests, incentive equity, carried interest, stock awards, options, warrants, convertible interests, restricted equity or equity appreciation rights). Such directors' fees and incentive compensation will be considered to be an Offset Fee, except where the governing documents of an ECP Advised Fund expressly provide to the contrary. To the extent an Operations Group member received any compensation from a portfolio company or ECP Advised Fund prior to being hired by an Adviser as an employee, such compensation will only qualify as an Offset Fee from and after the date of employment by an Adviser.

### ***EXPENSES CHARGED TO FUNDS***

Each ECP Advised Fund generally bears all fees, costs, expenses and other liabilities incurred in connection with the formation and organization of, or sale of interests in, such Fund, its general partner and/or investment manager, including commissions, costs and all out-of-pocket legal, accounting, administrative, regulatory, filing, capital raising, printing, travel (which are permitted to include expenses for first class, business or coach travel), accommodations, meals and other similar expenses, fees and costs (collectively, "Organizational Expenses"). However, the amount of such Organizational Expenses charged to an ECP Advised Fund is generally subject to a cap set forth in such ECP Advised Fund's respective partnership agreement. To the extent an ECP Advised Fund pays any Organizational Expenses in excess of such cap or, pays any placement agent fees or placement agent expenses in connection with the organization or funding of an ECP Advised Fund, such excess amounts offset dollar-for-dollar the management fee paid to the applicable Adviser.

Generally, each ECP Advised Fund bears all of the fees, costs, expenses and other liability or obligations relating to or arising from its operations, activities, meetings, and eventual liquidation (either directly or indirectly through the payment of such expenses by portfolio companies). The operating and offering documents of each ECP Advised Fund, including the private placement memorandum, set forth the particulars of such operating expenses that are permitted to be borne by the ECP Advised Fund, but such operating expenses generally include (among others) the following fees, costs and expenses relating to or arising from the origination, evaluation, investigation, development, structuring, acquisition or consummation, financing, refinancing, taking public or private, ownership, maintenance, monitoring, hedging and/or disposition of portfolio investments (including any follow-on investments or any such costs and expenses relating to potential investments that are not ultimately consummated, which are permitted to include broken deal expenses and reverse break-up fees);

- the services of administrators, custodians, consultants, brokers, dealers, finders, underwriting, loan administration, legal professionals, tax professionals, audit professionals, paying agents investment bankers and/or accountants;
- any travel-related expenses (which are permitted to include first class and business class commercial travel) relating or arising from the origination, evaluation, investigation, development, structuring, acquisition or consummation, ownership, maintenance, monitoring, hedging and/or disposition of existing or potential portfolio investments or meetings with one or more of a Fund's investors;
- any taxes, fees, or other governmental charges (domestic or foreign) levied against a Fund;
- D&O insurance, cyber-insurance, or other insurance expenses allocated to such Fund;
- limited partner and/or advisory committee meetings and activities (including expenses for meals, events, and travel and accommodation expenses of advisory committee members);
- all reports to limited partners and/or a Fund's limited partner advisory committee ("LP advisory committee") (including all fees, costs and expenses incurred to audit such reports, provide access to a database or other internet forum and for any other operational or legal expenses relating thereto or arising in connection with the distribution of the same) and any other financial, tax, accounting, fund administration or ESG reporting functions;
- litigation or any other governmental inquiry, examination or investigation relating to the activities or operations of a Fund or its portfolio investments and any related judgments or settlements;
- indemnification obligations (including any fees, costs and expenses incurred in connection with indemnifying covered persons consistent with such Fund's governing documents, and advancing fees, costs and expenses incurred by any such covered persons in defense or settlement of any claim that may be subject to a right of indemnification under such Fund's governing documents) and other extraordinary expenses that are classified as such under U.S. generally accepted accounting principles;
- any indebtedness and hedging arrangements, credit facility, guarantee, letter of credit or

similar credit support or one or more other similar financing transactions permitted by a Fund's governing documents and any interest and legal or other expense arising out of such borrowings or indebtedness;

- attending conferences or obtaining research materials in connection with the evaluation of future potential investments or business section opportunities, including with respect to ESG investment considerations and reporting;
- the dissolution, winding-up and termination of such Fund; and
- such Fund's feeder funds, alternative investment vehicles and subsidiary entities, including the costs and expenses relating to the organization, maintenance and liquidation of any intermediate entity used to acquire, hold, or dispose of any portfolio investment or potential portfolio investment or otherwise facilitating the investment activities of an ECP Advised Fund.

Such expenses generally are borne *pro rata* by commitments in the applicable Fund family, except as otherwise described herein and relating to certain Co-Invest Funds. A Co-Invest Fund will bear its *pro rata* share of any expenses relating to the applicable consummated investment, but it generally does not bear (i) broken-deal expenses, which are generally allocated entirely to the primary applicable Fund that has an active commitment period, or (ii) subscription credit facility fees and expenses, including the costs of establishing, negotiating, amending or otherwise maintaining the facility as a whole, which are generally allocated entirely to the applicable Fund that is the borrower under such facility. Brokerage fees may be incurred in accordance with the practices set forth in Item 12 below, "*Brokerage Practices*."

Expenses frequently will be incurred by multiple ECP Advised Funds. The Advisers allocate aggregate costs among the applicable ECP Advised Funds (and, in certain cases, among the Advisers and applicable ECP Advised Funds) based on the information available at the time of the allocation determination in accordance with allocation policies and procedures implemented by the Advisers that are reasonably designed to allocate expenses in a fair and equitable manner over time among such ECP Advised Funds. However, expense allocation decisions can involve potential conflicts of interest (e.g., an incentive to favor the ECP Advised Funds that pay higher incentive fees or conflicts relating to different expense arrangements with certain ECP Advised Funds or other investing vehicles). Under their current expense allocation policies, the Advisers generally allocate an expense among the ECP Advised Funds (other than a Co-Invest Fund) on a *pro rata* basis based on capital commitments while a fund is still in its commitment period and thereafter based on invested capital. The Advisers are permitted to, however, use other methods to allocate certain expenses among the ECP Advised Funds if they deem another method more appropriate based on the relative use of a product or service, the nature or source of the product or service, the relative benefits derived by the ECP Advised Funds from the product or service, or other relevant factors. Nonetheless, the portion of an expense that the Advisers allocates to an ECP Advised Fund for a particular product or service may not reflect the relative benefit derived by such ECP Advised Fund from that product or service in any particular instance. For example, certain expenses are permitted to be allocated across all investment vehicles comprising an ECP Advised Fund regardless of whether each investment vehicle is directly incurring the expense. In addition, in certain instances, an ECP Advised Fund has borne and is expected in the future to bear expenses in respect of an existing or prospective portfolio company that was not or will not be borne by other owners or investors in such portfolio company (including co-investors or Co-Invest Funds), where the Advisers have determined such arrangement to be in the interest of such ECP

Advised Fund (e.g., an ECP Advised Fund engages or pays for a consultant for services in respect of a portfolio company without reimbursement by other owners of the portfolio company). The Advisers' expense allocations often depend on inherently subjective determinations and, accordingly, expense allocations made by the Advisers in good faith will be final and binding on the ECP Advised Funds.

In certain circumstances where an Adviser commits or has committed to seek "market" or "arms-length" rates or terms, the Adviser will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. The Advisers reserve the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is "arms-length." Furthermore, in certain circumstances the Advisers are permitted to determine that third-party market check is unnecessary where the relevant Adviser believes it has access to adequate market data to make the determination without reference to a third-party market check. Consequently, the Advisers undertake no minimum amount of benchmarking such terms and do not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, the Advisers reserve the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest.

The Advisers or their affiliates enter into arrangements with service providers that provide for fee discounts for services rendered to the ECP Advised Funds and the Advisers. For example, certain law firms retained by the Advisers discount their legal fees for advice in connection with operational, compliance and related matters with respect to the Advisers. To the extent such law firms provide services to the ECP Advised Funds, such ECP Advised Funds also enjoy the benefit of fee discount arrangements. In some cases, discounts are expected to be based on volume and so certain ECP Advised Funds or portfolio companies may receive a greater discount than others depending on the timing of their transactions (e.g., if a transaction occurs early in a year it may not receive the same discount as a transaction that occurs later in the year).

An ECP Advised Fund has in the past and expects in the future to recruit a management team to pursue a new "platform" opportunity to lead to the formation of a future portfolio company. In other cases, an ECP Advised Fund has in the past and expects in the future to form a new portfolio company and recruit a management team to build the portfolio company through acquisitions and organic growth. In both cases such ECP Advised Fund will bear the expenses of the management team or portfolio company, as the case may be, including any overhead expenses, diligence expenses or other related expenses in connection with backing the management team or building out of the platform company. Such expenses are permitted to be borne directly by the applicable ECP Advised Fund as a fund expense or indirectly as such ECP Advised Fund bears the start-up and ongoing expenses of the newly formed platform portfolio company. None of these expenses will offset any management fee paid to the Advisers by such ECP Advised Fund.

In certain circumstances, one ECP Advised Fund has provided and in the future will provide a guarantee on behalf of a portfolio company or is permitted to pay an expense common to multiple legal entities within one or more ECP Advised Funds and may be reimbursed by the other applicable ECP Advised Funds, without interest or any other form of compensation. One or more ECP Advised Funds have in the past and will in the future enter into indebtedness on a joint and several basis. In such instances, the Advisers generally enter into one or more agreements that provide each applicable ECP Advised Fund with a right of contribution or reimbursement. It is



possible that one of the other ECP Advised Funds could default on its obligation to reimburse the paying ECP Advised Fund or otherwise have insufficient assets to honor such reimbursement obligation. In such an event, the ECP Advised Fund that has provided the guarantee and its parallel vehicles could bear more than a pro-rata share of such obligations.

The expenses described above are detailed, but do not include every possible expense an ECP Advised Fund is expected or permitted to incur. Investors should review the applicable ECP Advised Fund's offering materials and limited partnership agreement for further details.

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## **ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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As described in Item 5 "*Fees and Compensation*" above, certain Advisers are permitted to receive a carried interest or other performance-based allocation on realized profits in an ECP Advised Fund. Except for certain Co-Invest Funds and Tailored Vehicles, the Advisers do not advise ECP Advised Funds not subject to a carried interest or other performance-based incentive. However, the Advisers in their sole discretion have waived or reduced carried interest and expect in the future to waive or reduce carried interest with respect to certain persons as described above.

In allocating investments, the Advisers may have incentives to favor Funds with higher potential for carried interest distributions over ECP Advised Funds with lower potential for carried interest. Furthermore, to the extent the Advisers' personnel are assigned varying percentages of carried interest from Fund to Fund, such personnel are subject to potential conflicts of interest with respect to identifying investment opportunities as appropriate for the Fund(s) from which they are entitled to receive a higher carried interest percentage. As described in more detail below, the Advisers have adopted allocation policies designed to follow applicable partnership agreements and mitigate any conflict of interest.

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## **ITEM 7 TYPES OF CLIENTS**

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The Advisers' clients are the ECP Advised Funds. Investment advice is provided directly to such ECP Advised Funds and not individually to the limited partners of such ECP Advised Funds. The ECP Advised Funds include investment partnerships or other pooled investment vehicles formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in ECP Advised Funds include one or more of high net-worth individuals, banks or thrift institutions, sovereign wealth funds, pension and profit-sharing plans, trusts, estates, charitable organizations or other corporations or business entities and also are expected to include, directly or indirectly, past or current service providers, members of the management of a Fund's portfolio company and principals or other employees of the Advisers. The Advisers also have in the past and intend in the future to enter into separately managed accounts with clients.

Typically, the ECP Advised Funds require minimum investment amounts ranging from \$5 million to \$25 million, but such amounts have been, and in the future will be reduced with the prior agreement of an Adviser, subject to applicable legal requirements.

Fund interests are offered and sold generally to investors that are (i) "accredited investors" as defined under Regulation D of the Securities Act of 1933, as amended and (ii) "qualified clients" as defined under the Advisers Act or other "knowledgeable employees" of the Advisers.

## ***ITEM 8***      **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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The Advisers provide day-to-day investment advisory services to the ECP Advised Funds. The following is a summary of the investment strategies and methods of analysis generally used by ECP on behalf of its Equity Funds, the Mezzanine Fund and Credit Solutions II. More detailed descriptions of the Funds' investment strategies and methods of analysis are included in the applicable private offering materials and governing documents for each Fund. While the descriptions of the Funds' investment strategies and methods of analysis are relevant to the Co-Invest Funds, each Co-Invest Fund generally invests in one portfolio company of one of the main Funds and therefore lacks the potential benefit of diversification and will be particularly exposed to the legal and financial risks associated with that transaction, including the risk of loss. The summary below should not be interpreted to limit in any way the ECP Advised Funds' investment activities. There can be no assurance that ECP will achieve the investment objectives of each ECP Advised Fund and a loss of investment is possible.

### ***THE EQUITY FUNDS***

#### *Investment Strategy*

ECP intends to utilize a disciplined investment approach focused on acquiring and developing primarily controlling interests in high quality assets, contracts and businesses in power generation, renewables, energy storage, environmental infrastructure, and efficiency & reliability. Specifically, ECP intends to primarily focus on the following sub-sectors linked to the current mega trends and disruptive themes of energy transition, clean energy, electrification, decarbonization and sustainability:

- Renewables (wind, solar, geothermal, hydro)
- Storage (energy and battery storage and solutions)
- Power generation (natural gas as the transition solution)
- Environmental infrastructure (environmental clean-up, recycling, waste management & beneficial re-use, waste disposal & processing, waste-to-energy); and
- Sustainability, efficiency and reliability (energy efficiency, renewable natural gas, carbon capture, energy-use & supply management, digital infrastructure, hydrogen, and downstream infrastructure).

ECP expects to focus the Equity Funds' investment efforts predominantly on control opportunities in the North American marketplace (though Fund V is permitted to opportunistically evaluate opportunities in Europe, particularly in the UK). ECP believes that focusing primarily on investments where the Equity Funds will acquire control positions in assets and/or the company managing assets will enable it to optimize financing and risk management structures, operations and contracts, capacity arrangements, fuel purchasing or switching capabilities, expansion opportunities, exit strategies, recapitalizations and other value creation strategies. Also, such control is expected to allow ECP to take advantage of its expertise in ensuring that qualified and properly motivated management is in place at the portfolio companies to operate such assets.



ECP ETO intends to pursue primarily equity and structured debt investments with energy transition growth companies. ECP ETO is expected to hold minority positions in its portfolio companies.

Tailored Vehicles, such as RPF+ typically are expected to target different or narrower investment strategies and/or different investment returns than those pursued by the Equity Funds or the Credit Funds and are generally invested on a non-discretionary basis. The Tailored Vehicles are permitted to also invest in different parts of the capital structure than the Equity Funds or the Credit Funds or hold minority positions in portfolio companies.

### *Method of Analysis*

ECP plans to conduct investment due diligence and select investments utilizing the approach the ECP Partners have developed throughout their careers. The review and diligence effort for each potential transaction will be led by an ECP Partner and involve other senior team members as appropriate. The ECP Partner will be supported by a full team of ECP investment professionals who expect to further retain outside experts, including legal, market, environmental, regulatory, and engineering specialists to supplement the internal diligence effort.

Prior to an acquisition, except as noted below, ECP typically performs comprehensive due diligence on investment opportunities that appear to have a high likelihood of closing. Due diligence efforts may include site visits, meetings with key management and operations personnel, in-depth market analysis, risk comparisons to other project types, technology assessments, legal and historical financial reviews, and environmental, operations and ESG assessments. Additionally, the team generally will analyze the financial returns of a potential investment under various scenarios and stress tests. Prior to the submission of any binding offer, and earlier as appropriate, transactions will be presented to ECP's investment committee for evaluation. All potential investments brought to the committee will be expected to have an attractive risk-adjusted base case rate of return. Diligence may be abbreviated and/or limited to publicly available information when the Advisers do not expect an ECP Advised Fund to take a controlling interest.

In addition, to the extent that ECP maintains market intelligence and asset specific information or familiarity as a result of its historic private equity relationships and deal experience, we expect to leverage that proprietary knowledge advantage throughout the diligence process, particularly when a compelling opportunity arises requiring the ability to execute quickly.

Investments have been and are expected to continue to be evaluated based upon a number of criteria, including:

- Asset quality and location
- Capability of the management team
- Potential for value enhancement
- Ability to manage commodity price risk
- Ability to finance the asset
- Environmental, social, governance and regulatory risks
- Potential competition to acquire the asset
- Probability of closing
- Contribution to the diversity of the Funds' exposures
- Diversity of exit opportunities

- Expected return on investment in relation to target returns
- Distribution of possible return outcomes in relation to target returns
- Consistency with ECP's Environmental, Social and Governance Policy

The Advisers' ability to implement all or any aspects of the due diligence inquiries outlined above will be limited, particularly with respect to investments in public securities, to the extent timelines for certain transactions are compressed or limited information is made available to ECP.

### *Specific Plan for Value Creation*

ECP is a value-add, hands-on investor. ECP's approach focuses on using our proven and consistent approach to de-risking investments, while pursuing a hands-on management approach across the life cycle of an investment. ECP investment professionals work closely with management teams to seek to enhance the value of the Firm's assets and businesses through:

- Operational Alpha
  - Seeking board control in order to drive various initiatives forward;
  - Collaborating with management teams to develop and execute strategic plans and assess the success of those plans versus benchmarks;
  - Actively managing assets and businesses in conjunction with management teams to reduce costs, improve efficiencies and expand revenue opportunities; and
  - Optimizing the project and corporate capital structures of its investments.
- Risk Management
  - Optimizing commercial agreements through structuring and restructuring contractual arrangements related to sales and purchases, including equipment purchases, engineering and design services, fuel purchases and output sales with a goal of extending contract tenor, executing new contracts and expanding contract diversity;
  - Formalizing ESG best practices, KPIs, and reporting;
  - Instituting hedging programs to help manage commodity price volatility; and
  - Monetizing optionality and differing revenue streams embedded in assets and contracts.
- Growth & Development
  - Expanding asset capacity where economically justified (including re-power and over-powering);
  - Pursuing new build development activity while mitigating early-stage development risk, including working with capital constrained developers of attractive projects;
  - Pursuing strategic acquisitions or divestitures to grow or streamline businesses;
  - Combining asset investments into operating companies to create going-concern value and companies with critical mass and diversity, thereby increasing potential exit opportunities; and
  - Building management teams and portfolio companies to continue to pursue new growth areas in sectors of energy where ECP has been an active investor and in new related energy sub-sectors where attractive investment opportunities become apparent during the investment period of an ECP Advised Fund.

The Adviser's ability to implement one or more of the above value-creation plans will be limited to the extent the ECP Advised Funds do not hold a controlling equity interest in the applicable asset or business.

## ***THE CREDIT FUNDS***

### *Credit Solutions II Investment Strategy*

In Credit Solutions II, ECP intends to focus predominantly on primarily credit-oriented opportunities in the North American marketplace across the entire energy infrastructure value chain, including:

- Power and renewable generation
- Midstream oil and gas pipeline, storage, processing and related fee-based asset systems, along with further downstream infrastructure, including transportation, fractionation, storage, terminalling and other hydrocarbon logistics
- Energy-related environmental infrastructure assets in the air emissions, water and solid waste sectors
- Related energy services (with an emphasis on asset heavy and contracted businesses)

ECP expects to structure credit-oriented investments with an emphasis on senior and/or secured investments with a first or second lien on collateral and loan documentation to mitigate downside risks. Credit Solutions II's core focus is expected to be on directly originated senior private credit, but ECP also expects Credit Solutions II to opportunistically participate in liquid debt and structured capital solutions. Credit Solutions II has the ability to purchase up to 50% of targeted capital commitments in liquid securities, including term loans and high yield bonds, relying upon ECP's knowledge of specific assets and companies, and/or capitalizing on market dislocations. Finally, ECP has and in the future intends to invest a portion of the portfolio in customized, credit-oriented, and structured capital solutions (including, in certain cases, equity) for energy companies seeking non-traditional sources of financing. ECP expects to have limited governance-related rights over day-to-day operations of the businesses in which it invests, in exchange for having a senior and priority repayment ahead of most equity distributions. Credit Solutions II expects to generally incorporate customized structure provisions in its investments, which are expected to include: covenants to protect collateral and security interests including, but not limited to, covenants regarding asset sales, restricted payments, insurance and incurrence of debt or other secured and unsecured obligations; financial and other maintenance covenants; and liquidity, debt service, or capital expenditure reserve amounts.

### *Credit Solutions II Method of Analysis*

The review and diligence effort for each potential transaction will be led by the credit team and involve other ECP team members as appropriate. While some of the third party reports and analysis will be prepared by the equity owners as part of the financing process, Credit Solutions II has in the past and may in the future retain its own outside experts, including legal, environmental, regulatory, and engineering specialists to supplement the internal diligence effort. Prior to an investment, the Advisers typically perform comprehensive due diligence on investment opportunities that appear to have a high likelihood of closing. Due diligence efforts are expected to include some, or a combination, of the following: site visits, meetings with key management and operations personnel, in-depth market analysis risk comparisons to other project types,

technology assessments, legal and historical financial reviews, and environmental and operations assessments. Additionally, the credit team generally will analyze the financial returns of a potential investment under various scenarios and stress tests. Prior to the submission of any binding financing proposal, transactions will be presented to Credit Solutions II's investment committee for evaluation. Investments will be evaluated based upon a number of criteria, including:

- Asset quality and location
- Underlying credit quality and cash flow profile
- Position within the capital structure
- Margin of safety
- Capability of the management team
- Ability to manage commodity price risk
- Quality and track record of the equity behind the project
- Environmental and regulatory risks
- Contribution to the diversity of Credit Solutions II's exposures
- Diversity of monetization opportunities, including cash yield
- Expected return and distribution of possible return outcomes in relation to target returns
- Potential competition to finance the asset
- Probability of closing
- Consistency with ECP's Environmental, Social and Governance Policy

#### *Specific Plan for Credit Solutions II Monetization*

ECP typically seeks to monetize Credit Solutions II investments in three ways: (1) hold investments through to maturity, (2) hold until investments are redeemed or refinanced, or (3) dispose of investments through sales in the secondary market. Credit Solutions II expects to generally have investments featuring mandatory maturities and repayment in cash. These debt investments may be partially realized through cash flow sweeps and fully repaid through a refinancing at or prior to maturity or, in the case of liquid positions, through a sale of the position in the secondary market.

#### ***RISKS OF INVESTMENT***

Each ECP Advised Fund and its investors bear the risk of loss that the Advisers' investment strategy entails. While the discussion below often refers to "Fund" or "Funds," it enumerates certain risk factors that apply generally to an investment in an ECP Advised Fund, however the following discussion does not describe all of the risks that are expected to potentially be faced by an ECP Advised Fund. Prior to making any investment in an ECP Advised Fund, investors should review the applicable ECP Advised Fund's private placement memorandum or other offering document for additional information regarding risks and conflicts of interest specific to such ECP Advised Fund.

## **GENERAL RISKS**

*Business Risks; Investment in Junior Securities.* Operating results of the companies in which a Fund invests over a specified period will be difficult to predict. There will not always be a readily available market for the Funds' investments, and hence, most of the Funds' investments will be difficult to value. Also, securities in which the Funds will invest are expected to be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. In general, there will be no collateral to protect an investment once made. The Funds' investments involve a high degree of business and financial risk that can result in substantial losses. Moreover, the Funds' methods of minimizing business and investment risks along with broader market risks may not accurately or adequately address future risk exposures. The Advisers' risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage such risks may not be accurate, complete or current, and such information may be misinterpreted. In certain situations, the Advisers may not be able to, or may choose not to, implement risk management strategies for the Funds because of the costs involved or other relevant circumstances, and even if risk management strategies are utilized, such strategies will not fully insulate the Funds from the risks inherent in their investment activities. While the Advisers intend for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

*Concentration of Investments.* The Funds will participate in a limited number of investments and intend to make most of their investments in one industry or one industry segment or within a short period of time. Moreover, to the extent the Funds concentrate their investments in a particular industry segment or geographic region, their investments will become more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. These risks may be further pronounced in cases in which an investment is secured by a relatively small or less diverse pool of underlying assets. As a consequence, the aggregate return of the Funds may be adversely affected by the unfavorable performance of one or a small number of investments, geographic regions or industry segments. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds may invest in fewer portfolio companies and thus be less diversified.

*Lack of Sufficient Investment Opportunities.* An investor must rely on the Adviser's ability to make investments consistent with a Fund's investment objectives and policies. The business of identifying, structuring and completing equity, mezzanine and other credit-oriented transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified or such attractive opportunities are overly competitive. However, unless otherwise specified in a Fund's offering documents, limited partners will be required to pay annual management fees during the commitment period based on the entire amount of their commitments.

*Illiquidity; Lack of Current Distributions.* An investment in the Funds 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. A Fund's ability to dispose of investments may be limited for several reasons. Illiquidity results from the absence of established market for the investments, as well as legal, contractual or other restrictions on their resale by a Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or

adversely affect the terms that could be obtained upon any disposition thereof. In view of these limitations on liquidity, the return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Funds (including the annual management fee payable to an Adviser) may exceed their income, thereby requiring that the difference be paid from the Funds' capital, including unfunded capital commitments.

*Leveraged Investments.* The Funds are generally authorized to make use of leverage, directly or indirectly through one or more special purpose vehicles, by incurring debt (or having a portfolio company incur debt) to finance all or a portion of their investment in a given portfolio company, investment or project, whether on a temporary or long-term basis. Although leverage has the potential to enhance overall returns that exceed the Funds' overall cost of funds, it will further diminish returns (or increase losses on capital) to the extent overall returns are less than the Funds' cost of funds. Accordingly, any event that adversely affects the value of an investment by the Funds would be magnified to the extent leverage is used. The cumulative effect of the use of leverage by the Funds in a market that moves adversely to the Funds' investment could result in a loss to the Funds that would be greater than if the leverage had not been used. The Funds are authorized to incur indebtedness on a portfolio-wide basis or against specific investments. The use of leverage at the Fund level will result in interest expense and other costs to the Funds that may not be covered by distributions made to the Funds or appreciation of their investments. The extent to which the Funds use leverage will have important consequences to the partners, including the following: (i) greater fluctuations in the net assets of the Funds, (ii) use of cash flow for debt service, distributions or other purposes, (iii) to the extent that the Funds' revenues are required to meet principal payments, the partners may be allocated income (and therefore tax liability) in excess of cash available by distribution and (iv) in certain circumstances the Funds may be required to prematurely harvest investments to service their debt obligations. There also can be no assurance that the Funds or a portfolio company will have sufficient cash flow to meet their respective debt service obligations, which likely would result in losses. Also, the Funds' exposure to losses may be increased due to the illiquidity of their investments generally. Unfavorable performance of a small number of such investments may result in amplified losses for the Funds and limit the Funds' ability to invest in the future.

Leverage at the portfolio company or project level often imposes restrictive financial and operating covenants, in addition to the burden of debt service, and may impair the ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies and projects will increase the exposure of the Funds' investments to any deterioration in a company's or project's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies and projects in a down market. In the event any portfolio company or project cannot generate adequate cash flow to meet debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company or project, which could adversely affect the returns of the Funds. Furthermore, should the credit markets be limited or costly at the time the Funds determine that it is desirable to sell all or a part of a portfolio company, the Funds may not achieve an exit multiple or enterprise valuation consistent with their forecasts. Moreover, the companies and projects in which the Funds will invest often will not be rated by a credit rating agency.



The Funds will directly or indirectly through one or more special purpose vehicles, make contingent funding commitments to their portfolio companies and provide credit support for such obligations. Such credit support may take the form of a guarantee, a letter of credit or a pledge of a portion of the Funds' capital commitments to a lender. An Adviser may be required to segregate unfunded commitments sufficient to satisfy the Funds' obligations with respect to any such credit support. Utilization of the credit support will result in fees, expenses and interest costs to the Funds, and may result in an under-utilization of the Funds' capital. In the event that one or more limited partners fail to satisfy a drawdown or otherwise default on their contribution obligations pursuant to any such credit support, such amount would be drawn from non-defaulting limited partners. Subject to limitations in the partnership agreements, the Funds have in the past and may in the future also leverage their investment returns with options, short sales, swaps, forwards and other derivative instruments.

In connection with any indebtedness incurred by the Funds, or any such credit support provided by the Funds, the Funds and/or the Advisers have in the past and will in the future pledge the assets of the Funds and or make another collateral assignment to any lender, or other credit party of the Funds, of the Advisers and the Funds' rights to draw down capital from the limited partners and other related rights, titles, interests, remedies, powers and privileges of the Funds and/or the Advisers with respect to the capital commitments and rights to the capital contributions of the limited partners. It is possible that the limited partners will be required to acknowledge and consent to any such pledge or assignment and provide certain information and/or legal opinions as required by the lender or other credit party.

The Funds' assets, including any investments made by the Funds, the capital commitments of the partners, and any capital held by the Funds, are available to satisfy all liabilities and other obligations of the Funds. If a Fund defaults on secured indebtedness, the lender may foreclose and the Fund could lose its entire investment in the security for such loan. Parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and not be limited to any particular asset and may require its partners to contribute their capital commitments in order to satisfy such liabilities.

The cost and availability of leverage are highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. For example, if interest rates rise, the borrowing costs of the Funds would be expected to be higher, which could reduce investors' overall returns. There can be no assurance that the Funds or their portfolio companies will be able to obtain indebtedness on terms available to any predecessor, affiliated fund, portfolio companies or to competitors, including terms that may be currently available in the market, or that indebtedness will be accessible at any time, and to the extent that it is available there can be no assurance that such indebtedness will be on terms favorable to the Funds or a portfolio company, including with respect to interest rates, or that such indebtedness will remain available throughout the term of the Funds. The failure to obtain indebtedness on favorable terms (or at all) could adversely affect the returns of the Funds.

It is possible that the Funds will decide to repay any leverage with funds drawn from the capital commitments of the limited partners or to make future investments with little or no corresponding leverage. If the Funds decide to pay down their leverage or to make their investments with little or no leverage, the returns of the limited partners of the funds may be adversely affected.



*Certain Risks and Costs of Leverage Below a Fund.* Even though it presents many of the same risks as fund-level borrowing, indebtedness of entities other than a Fund will not be treated as Fund-level borrowing for purposes of the Fund's governing documents, even if the special purpose vehicles or other entities incurring such leverage engage in borrowings that are cross-collateralized with or among multiple investments such that multiple investments and a substantial portion of a Fund's value are at risk. As a result, these borrowings will not be subject to any limitations on Fund-level borrowing in the governing documents. Since the Advisers have the flexibility to engage in these structures, the Advisers may have an incentive to incur significant leverage at the level of holding companies beneath a Fund. The negative performance of one asset may materially and adversely impact the performance of other investments or a Fund as a whole. Furthermore, depending on the terms of the cross-collateralization and the performance of the underlying assets, it is possible that a Fund may ultimately bear a disproportionate share of the risk arising from any guarantees, borrowings or credit support that are incurred on a cross-collateralized or joint basis with other Funds, but a Fund will not receive compensation for bearing such risks for other such Funds.

*Distributions in Kind.* Generally, at least for a period of time, there will be no readily available market for a substantial number of the Funds' investments, and hence, most of the Funds' investments will be difficult to value. Certain securities are expected to 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 (including to affiliates of the Advisers), many partners could decide to liquidate such securities within a short period of time, which generally would have an adverse impact on the price of such securities. The price at which such securities are sold by such partners could be lower than the value of such securities determined pursuant to the partnership agreements, including the value used to determine the amount of carried interest available to the Advisers with respect to such investment. Therefore, the Advisers are generally incentivized to make in kind distributions based on the calculation of carried interest under a Fund partnership agreement. In addition, the Advisers and their personnel will be incentivized to sell or retain securities distributed in kind based on their own financial objectives, which could differ from those of the Funds' limited partners.

*Reliance on the Advisers and Portfolio Company Management.* Control over the operation of the Funds will be vested with the Advisers, and the Funds' future profitability will depend largely upon the business and investment acumen of the ECP Partners. Limited partners generally have no right or power to take part in the management of the Funds. Given the ever-increasing competition among alternative asset managers (including private equity and credit firms) and other industry participants for hiring and retaining qualified investment professionals, there can be no assurance that such professionals will continue to be associated with the Advisers throughout the life of the Funds. The loss or reduction of service of one or more of the Funds' investment committee members (including one or more ECP Partners) could have an adverse effect on the Funds' ability to realize their investment objectives. Moreover, certain changes in an Adviser or circumstances relating to an Adviser may have an adverse effect on the Funds or one or more of their investments, including potential acceleration of Fund-level debt facilities.

Although the Advisers will monitor the performance of each Fund investment, it will primarily be the responsibility of the management team of each portfolio company or project in which the Funds invest to operate such portfolio company or project on a day-to-day basis. Although the Funds generally intend to invest in companies and projects with strong management or recruit strong management to such companies, there can be no assurance that (i) the management of such companies and projects will operate such companies and projects successfully in

accordance with the Funds' objectives, (ii) the management teams of such companies will have experience with managing public companies, (iii) the companies or projects will be able to retain or replace key employees or (iv) the companies will maintain "key person" life insurance policies on any key employees to cover losses that would result from the death of a key employee.

*Limited Time to Conduct Due Diligence.* The timeline to commit to certain investments may be expedited, particularly in transactions related to public equities. Accordingly, the Funds are expected to have limited time to conduct due diligence on such investment opportunities and may not identify all material issues that may be present with a particular target business and that may be possible to uncover through a more expansive due diligence process. In such cases, the information available to the Advisers at the time of the investment decision may be limited, and the Advisers may not have access to the detailed information necessary for a full evaluation of the investment opportunity. In addition, the financial information available to the Advisers may not be accurate or provided using accepted accounting methods. Moreover, in certain instances the Advisers will rely upon independent consultants in connection with its evaluation of proposed investments. There can be no assurance that these consultants will accurately evaluate such investments.

The Advisers generally will seek to engage outside consultants, legal advisors, accountants, investment banks and/or other third parties to assist in the due diligence process to varying degrees depending on the type of investment, and related costs will be borne by the Funds. The involvement of third-party advisors or consultants may present a number of risks primarily relating to the Advisers' reduced control of the functions that are outsourced. In addition, if the Advisers are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, the Advisers will rely on the resources available to them, including information provided by the target company and, in some circumstances, third-party investigations. The due diligence investigation that the Advisers carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating the investment opportunity. Specifically, there can be no assurance that the Adviser or such third-party consultants will be able to detect or prevent irregular accounting, employee misconduct, corruption or fraudulent practices during the due diligence and negotiation phase or in its efforts to monitor the investment on an ongoing basis, or that any risk management procedures implemented on behalf of a Fund will be adequate. In the event of a fraud by any portfolio company or asset, or any of their respective affiliates, a Fund may suffer a partial or total loss of capital invested in that investment. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company or the seller of any portfolio investment, whether intentional or otherwise. Such inaccuracy or incompleteness may adversely affect the value of a Fund's investments in such portfolio company and the terms of acquiring such vehicle may limit recourse, or such recourse may be unavailable due to local laws, the inability to enforce judgments against a company in local courts or the solvency of the seller. Moreover, the investigation will not necessarily result in the investment being successful. Further, the Advisers' and/or its service providers' ability to conduct due diligence were limited during COVID-19 or and may in the future be limited by similar events, which would increase the foregoing risks.

*Projections.* Projected or targeted operating results of a company or project in which the Funds invest may be based on financial projections prepared by such company's or project's management. In all cases, projections are only estimates of future results that are based upon information received from the company, the project or third parties (as applicable) and assumptions made at the time the projections are developed. Any such projections are subject to uncertainties,

changes (including changes in economic, operational, political or other circumstances or the management of the applicable portfolio companies) and other risks, including, but not limited to, broad trends in business and finance, legislation and regulation affecting the portfolio companies or investments, monetary and fiscal policies, interest rates, inflation, currency values, market conditions, the availability and cost of short-term or long-term funding and capital, all of which are beyond the control of the Advisers or the portfolio companies and any of which may cause actual financial and other results to be materially different from the results expressed or implied by such projections. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

*Conflicting Investors Interests.* Limited partners may have conflicting investment, tax, and other interests with respect to their investments in the Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. As a consequence, conflicts of interest may arise in connection with decisions made by the Advisers, including with respect to the nature or structuring of investments that may be more beneficial for one limited partner than for another limited partner, especially with respect to a limited partner's individual tax situation. In structuring, acquiring, and disposing of investments, the Advisers generally will consider the investment and tax objectives of the Funds and their partners as a whole, and not the investment, tax or other objectives of any limited partner individually, but it is inevitable that such decisions may be more beneficial for some limited partners than others.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the asset management industry as well as the industries and sectors in which the Funds invest. For example, governmental scrutiny with respect to potential antitrust or other regulatory matters affecting current or potential portfolio companies may restrict or otherwise prohibit a Fund from consummating, structuring or exiting an investment on favorable terms (or at all). There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives. In particular, a Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of its business, including to establish greater substance in certain jurisdictions in which the Fund invests or proposes to invest, and such Fund may also become directly or indirectly subject to additional tax liabilities (for example through restrictions on or denial of the deductibility of interest expenses against taxable profits). The foregoing may make it less attractive or impractical to continue to invest in one or more jurisdictions. Additionally, such additional scrutiny may divert the Advisers' time, attention and resources from portfolio management activities.

*Need for Follow-On Investments.* Following their initial investment in a given portfolio company or project, the Funds have in the past and will in the future decide to provide additional funds to one or more certain portfolio companies or projects or consider the opportunity to increase their investment in a successful portfolio company or project. Additionally, the Advisers may decide for the Funds to make a follow-on investment in an underperforming portfolio company. There is no assurance that the Funds will make follow-on investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by the Funds not to make follow-on investments or their inability to make such investments may have a substantial negative effect on a portfolio company or project in need of such an investment. Additionally, the Funds

may not participate in follow-on investments on a *pro rata* basis with the ECP Advised Funds. The failure to make such investments may result in a lost opportunity for the Funds to increase their participation in a successful portfolio company or project, the dilution of the Funds' ownership in a portfolio company or project if a third party invests in such portfolio company or project or force an ECP Advised Fund to increase its ownership in an underperforming portfolio company. There is no assurance that such follow-on investment will be accretive to value and investors may lose capital.

*Secondary Transactions and other General Partner-Led Transactions.* There continues to be a significant market for secondary sales, general partner-led transactions, continuation funds, successor fund investments and other transactions, and the Advisers reserve the right to dispose of (or seek additional capital for) Fund investments through such means (each such transaction, a "Secondary Transaction"). Secondary Transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where an Adviser believes there is the potential for additional value generation. We could propose to a Fund's LP advisory committee or investors one or more transactions that would enable such investors to monetize or restructure all or a portion of their interests in a Fund, including through the use of a continuation vehicle. The sale of an investment in a Secondary Transaction could result in certain investors, the general partner and/or members of the firm (including employees and affiliates) disposing of their investments in the underlying assets at a different time than some or all investors of such Fund; a delay in the full liquidation of the Fund's investment; and/or otherwise taking actions with respect to such investments that are different than the actions taken by other investors.

Accordingly, a Secondary Transaction has the potential for conflicts between the interests of a Fund or limited partner and those of the Advisers or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where an Adviser or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the Secondary Transaction, their incentives are expected to diverge from those of limited partners who elect to sell their interests. Furthermore, an Adviser is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a Secondary Transaction did not exist. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Furthermore, the Advisers could only provide investors the option to sell or roll their interest in a particular investment at the proposed transaction value, which likely will differ from the investors current "status quo" exposure to such investment. The Advisers could be subject to other conflicts of interests in connection with a Secondary Transaction, including with respect to investment valuations, receipt of carried interest and additional management fees, allocation of fees and expenses and the offering of investment opportunities to the Funds, co-investors, potential investors and other third parties.

*Non-United States Investments.* Subject to certain restrictions, the Funds may invest in portfolio companies or projects that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Funds), the application of complex United States and non-United States tax rules to cross-border investments,

possible imposition of non-United States taxes on the Funds and/or their partners with respect to the Funds' income, and possible non-United States tax return filing requirements for the Funds and/or their partners. Additional risks of non-United States investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-United States jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-United States companies and projects may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to United States companies and projects.

*Non-Controlling Investments.* The Funds may hold minority stakes in privately and publicly held companies and in some cases may have limited or no minority protection rights and/or limited opportunities to impact governance, performance or operation of such companies. In addition, during the process of exiting investments, the Funds at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Funds hold a minority stake, it may be more difficult for the Funds to liquidate their interests than it would be had the Funds owned a controlling interest in such company. Even if the Funds have contractual rights to seek liquidity of the Funds' minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Funds, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

*Potential for Early-Stage and Start-Up Investments.* The Funds may make investments in growth-equity, early-stage and start-up companies and projects that have inherently greater risk than more established companies and projects. With respect to emerging companies, the Advisers may have limited ability to evaluate their management based on past performance, and such companies may rely more on individual members of the management team than more established companies do. Accordingly, the growth and development of these companies and projects may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Such investments can experience failure or substantial declines in value at any stage. There is no assurance that such investments by the Funds will be successful.

*Investment in Restructurings.* The Funds may make investments in restructurings that involve portfolio companies or projects experiencing, or that are expected to experience, financial difficulties. Such financial difficulties may never be overcome. Such investments could subject the Funds to certain additional potential liabilities that may exceed the value of the Funds' original investment therein. For example, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, payments to the Funds and distributions by the Funds to the limited partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

*Bridge Financings.* The Funds will lend to portfolio companies or provide project financing on a short-term, secured or unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing. Such bridge loans would typically be convertible into a



more permanent, long-term security. However, for reasons not always in the Funds' control, such issuance of long-term securities or other refinancing may not occur and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

*Possibility of Fraud and Other Misconduct of Employees and Service Providers.* Misconduct by employees of the Advisers, service providers to the Advisers or the Funds and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Funds and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Funds. The Advisers have controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Advisers will be able to identify or prevent such misconduct. Even in the event of such misconduct, the Funds may have limited recourse and/or may be obligated to provide indemnification to such employees or service providers.

*Third-Party Involvement.* The Funds may co-invest with third parties through joint ventures or otherwise. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-investor may have financial difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Funds or may be in a position to take (or block) action in a manner contrary to the Funds' investment objectives. As a result of such arrangements, the Funds may be significantly reliant on other sponsors of the transaction, if any, and on the existing management and board of directors and other shareholders of such companies, which may include representatives of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds. In addition, the Funds may in certain circumstances be liable for the actions of its third-party co-investors. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

*Co-Investment Opportunities.* The Advisers will, in their sole discretion, provide or commit to provide co-investment opportunities to certain of their affiliates, one or more limited partners, third party investors and/or their affiliates (or vehicles managed by such persons) or other persons, in each case on terms to be determined by the Advisers in their sole discretion. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which generally may be made to one or more persons for any number of reasons as determined by the Advisers in their sole discretion, may not be in the best interests of the Funds or any individual limited partner.

*Recycling; Reinvestment.* As further set forth in the partnership agreements, a limited partner may be required to make capital contributions in excess of its capital commitment, and to the extent such recalled, redeployed or retained amounts are reinvested in investments, a limited partner will remain subject to investment and other risks associated with such investments.

*Failure to Make Capital Contributions.* If a limited partner defaults on its obligations to contribute capital to the Funds when due, and the contributions made by non-defaulting limited partners and borrowings by the Funds, if any, are inadequate to cover such defaulted capital contribution, the Funds may be unable to consummate an investment on a timely basis (if at all) or pay its obligations when due, and its ability to execute on its investment strategy or to otherwise continue operations may be impaired. As a result, the Funds may be subjected to significant penalties (or other adverse consequences) that could affect the returns to the limited partners (including non-defaulting limited partners) in a materially adverse manner. A default by a substantial number of limited partners would limit opportunities for investment diversification and would likely negatively affect the Funds' economic results.

*Dilution.* A limited partner admitted to the Funds at a subsequent closing generally will participate in then-existing investments of the Funds, 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 Funds' existing investments at the time of such contributions.

*Hedging Arrangements.* The Advisers are authorized (but are not obligated) to endeavor to manage the Funds' or any portfolio company's currency exposures, interest rate, gas, oil and other commodities exposure, tax, currency or other exposures, using hedging techniques where available and appropriate. The Funds are permitted to incur costs related to such hedging arrangements, which are permitted to 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 addition, while such hedging transactions may hedge economic risks, they are not always effective hedges for tax purposes. For example, the tax character of the gain or loss on the hedging transaction may differ from the character of the gain or loss on the investment or the timing of the gain or loss for tax purposes may differ between the hedging transaction and the investment. In some cases, particularly in OTC contexts, hedging arrangements will subject the Funds 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 Funds to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the Advisers and/or one of its affiliates an obligation to register with the United States Commodity Futures Trading Commission or other regulator or comply with an application exemption.

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

*Public Company Holdings.* The Funds' investment portfolios may contain securities issued by publicly held companies. Such investments may subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities at certain times (including when a Fund holds unregistered securities or is subject to contractual lock-



ups, or due to the possession by such Fund of material non-public information), increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including personnel of the Advisers and/or their affiliates, suspension of trading on public exchanges that result in increased difficulty in liquidating positions, regulatory action and increased costs associated with each of the aforementioned risks.

Investments in newly public companies are subject to numerous additional risks related to such investments generally, including (i) an active trading market for the listed securities of the public company never developing or being sustained, which could impede a Fund's ability to sell such securities at an attractive price or at all; (ii) volatility in the market price or trading volume of the public securities, including widening bid-ask spreads, which could impair the value of a Fund's investment; (iii) sales of a significant number of restricted securities in the public company following the business combination, causing substantial dilution and putting downward pressure on the trading price of the public securities; (iv) other shareholders holding controlling positions in the public company and exerting influence over the public company in a manner that may be inconsistent with the interests of a Fund or its partners; (v) anti-takeover provisions in the governing documents of the public company preventing or discouraging a takeover attempt, which could adversely affect the trading price of the listed securities; and (vi) increased costs of operating a public company and the potentially adverse impact of the public company's inability to maintain effective internal controls.

For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the securities in which a Fund invests may decline substantially. In particular, purchasing assets at what may appear to be "undervalued" levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk.

*Director Liability.* The Funds will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies and projects in which they invest. Serving on a board of directors (or similar governing body) of such portfolio company or project exposes the Funds' representatives, and ultimately the Funds, to potential liability. Not all portfolio companies or projects may obtain insurance with respect to such liability, and the insurance that such portfolio companies and projects do obtain may be insufficient to adequately protect officers and directors from such liability. Furthermore, the cost of such insurance continues to increase, particularly for public companies, which may adversely impact the profitability of a portfolio company. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Funds' investment activities.

*LP Advisory Committee.* The Advisers will appoint one or more limited partner representatives to the LP advisory committee. The Funds' limited partnership agreements are expected to provide that to the fullest extent permitted by applicable law, none of the LP advisory committee members shall owe any fiduciary or other duties to the Funds or any other partner, other than to act in good faith. In addition, representatives of the LP advisory committee may have various business and other relationships with ECP and its partners, employees and affiliates. These relationships may influence their decisions as members of the LP advisory committee. The composition of a LP advisory committee of a Fund may have substantial overlap with the composition of a LP advisory committee for another Fund, which could lead to conflicts of interest if there are transactions between such Funds that require LP advisory committee approval. The

composition of an LP advisory committee may disproportionately represent one or more of the entities or categories of limited partners comprising a Fund.

*Contingent Liabilities on Disposition of Investments.* In connection with the disposition of a Fund investment, the Funds may be required to make representations about the business and financial affairs of such portfolio company and may be responsible for the content of disclosure documents under applicable securities laws. The Funds also may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate or with respect to certain potential liabilities. These arrangements may result in the incurrence of contingent liabilities, which shall be borne by the Funds and for which the Advisers may cause the Funds to establish reserves or escrow accounts. In that regard, limited partners may be required to return amounts distributed to them to fund obligations of the Funds, including indemnity obligations, subject to certain limitations set forth in the partnership agreements. Furthermore, as provided in the partnership agreements, each limited partner may, under certain circumstances, be obligated to recontribute such distribution to the Funds.

*Uncertain Economic, Social and Political Environment.* The global economic and political climate can be uncertain. Geopolitical events, military action and similar events, localized or global financial crises, acts of terrorism, and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and caused consumer, corporate and financial confidence to weaken. The availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, may be restricted. This may have an adverse effect on the economy generally and on the ability of the Funds and their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. A climate of uncertainty may reduce the availability of potential investment opportunities and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections.

*Market Conditions.* The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the Funds' investments. The Funds' performance can be affected by deterioration in the capital markets and by market events, which, among other things, can impact the public market comparable earnings multiples used to value privately held companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of the Funds' investments and their overall performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Funds to sell and/or partially dispose of their investments. Such adverse effects may include the requirement of the Funds to pay break-up and other expenses in the event the Funds are not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Funds to dispose of their investments at prices that the Advisers believe reflect the fair value of such investments. With respect to any publicly traded securities, the value of securities may be volatile and difficult to sell as a block, even following a realization through listing. The impact of market and other economic events may also affect the Funds' ability to raise funding to support their investment objective.

*Financial Institution Risk; Distress Events.* An investment in a Fund is subject to the risk that one or more of the Fund's or portfolio company's banks, brokers, hedging counterparties, lenders to or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by various factors, including eroding market sentiment, significant withdrawals (e.g., a bank run in which depositors collectively withdraw their balances within a short period of time), fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Advisers, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, or the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance (including Fund assets maintained with qualified custodians pursuant to Rule 206(4)-2 under the Advisers Act) are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the Advisers to manage the Funds and their portfolio companies, and on the ability of the Advisers, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Although the Advisers seek to do business with Financial Institutions believed to be creditworthy and capable of fulfilling their respective obligations to the Funds, the Advisers are under no obligation to use a minimum number of Financial Institutions with respect to any Fund or to maintain account balances at or below the relevant insured amounts. Furthermore, such balances maintained by the Advisers and the Funds are generally expected to fluctuate, including with respect to the Funds in connection with capital calls to limited partners and dispositions of investments, and certain balances will substantially exceed applicable deposit insurance.

*Brexit.* The United Kingdom (the "UK") withdrew from the European Union (the "EU") on January 31, 2020 ("Brexit"). Although the terms of the UK's future relationship with the EU were agreed in a trade and cooperation agreement, the agreement does not include an arrangement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU- and UK- businesses, including ECP and Fund portfolio companies, as applicable. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

*Alternative Investment Fund Managers Directive.* The Directive on Alternative Investment Fund Managers, together with any supplementary regulation implemented in the UK following Brexit (“UK AIFMR”), or subordinate legislation or guidance thereto implemented in any relevant jurisdiction (the “AIFMD”), imposes requirements on AIFMs (as defined in the AIFMD) that market AIFs (as defined in the AIFMD) to professional investors who are domiciled or have a registered office within the European Economic Area (the “EEA”) or the UK, as applicable. The UK AIFMR currently imposes compliance obligations that are broadly similar to those described below in connection with a non-EEA AIFM marketing a non-EEA AIF.

For these purposes certain of the Funds are non-EEA and non-UK AIFs and ECP is a non-EEA and non-UK AIFM. As a non-EEA entity, ECP is required to comply with the national private placement regimes in those EEA member states that allow private placement and in which interests in an ECP Advised Fund are marketed and sold.

Compliance with these requirements may result in significant additional costs over the life of the Funds and may reduce returns to investors. The Advisers and their affiliates and agents have endeavored to comply with these rules as interpreted, but there is not absolute certainty as to their successful compliance. In the event that the Advisers or any of their affiliates or agents is found to have breached the provisions of the AIFMD (inadvertently or otherwise), such parties (and/or a Fund indirectly) may face regulatory sanctions and/or EEA investors may seek to rescind their interests, which would result in significant costs and ultimately materially and adversely affect such Fund.

*Valuation of Assets.* There may not be an actively traded market for the securities owned by the Funds, or certain market and/or other events may cause securities held by the Fund(s) to become illiquid or cause reliable market quotations to become unavailable. When estimating fair value, the Advisers will apply a methodology they determine to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, valuations generally are subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the Advisers may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

The Funds’ governing documents provide the Advisers with wide-ranging authority on the determination of whether an investment has been written off or otherwise permanently impaired (such investments, “Impaired Value Investments”), and the criteria used by an Adviser 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 an Adviser’s determination that an investment is an Impaired Value Investment, and, except as set forth in the applicable governing documents, an Adviser is not 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 a Fund’s holding period. An Adviser is entitled to make its own determination taking into account the facts and circumstances it deems relevant, subject to the provisions of the applicable governing documents. As a general matter, the standards for determining Impaired Value Investments are intended to be

high and to not apply to investments experiencing partial or temporary declines in value. Because the amount of an Adviser's compensation is dependent in part on an investment's status as an Impaired Value Investment, such Adviser faces conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria.

*Environmental, Social & Governance ("ESG") Matters.* ESG matters have been the subject of increased focus by regulators in the US and EU, among other jurisdictions. ECP maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy, subject to its fiduciary duty and any applicable, legal, regulatory or contractual requirements. While the Advisers strive to implement ESG practices, there can be no assurance that the Advisers approach will align with the approach preferred by prospective investors or align with market trends or that the Adviser will be able to identify all ESG issues or will be able to successfully implement its ESG policies. ECP expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). The use of ESG metrics in the investment process may be subjective and are not subject to uniform standards, and, as such, there is no guarantee that the Advisers will be able to accurately assess and measure the ESG risks and ESG compliance of a Fund's investments and/or potential investments. In addition, ECP's ESG policy and associated ESG practices are expected to evolve over time.

ESG-based exclusionary criteria may result in a Fund foregoing opportunities to make certain investments when it might otherwise be advantageous to do so, and/or selling certain investments due to their ESG characteristics when it might be disadvantageous to do so. The use of ESG criteria may affect a Fund's investment performance (including by increasing expenses) and, as such, a Fund may perform differently compared to similar funds that do not use such criteria. There can no guarantee the ESG program will positively impact the financial or ESG performance of any individual portfolio company or the Funds as a whole. Additionally, it should not be assumed that any ESG practices or standards will apply to every investment in which the Funds invest or that they have been applied to all of the Funds' prior investments. ESG is only one of many considerations that the Advisers take into account when making investment decisions, and other considerations can be expected in certain circumstances to outweigh ESG considerations. Any ESG information provided is intended solely to provide an indication of ESG initiatives and standards that the firm applies when seeking to evaluate and/or improve the ESG characteristics of an investment as part of the larger goal of maximizing financial returns on investments. Accordingly, certain investments may exhibit characteristics that are inconsistent with the practices or standards described herein.

Finally, there is also growing regulatory and investor interest, across jurisdictions, in improving transparency around how asset managers identify and manage material ESG risks, as well as how they define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. At the same time, anti-ESG sentiment has also gained momentum across the U.S. with several states and Congress having proposed or enacted "anti-ESG" policies, legislation, or initiatives or issued related legal opinions. The Adviser's ESG practices could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, which would create certain procedural and organizational obligations for the Adviser and/or the ECP Advised Funds. As various jurisdictions develop (and where relevant, implement) their respective ESG transparency focused regulatory regimes, there is a risk that the evolution of such regimes will introduce conflicting obligations which could lead to additional compliance costs for the Adviser. The Adviser cannot guarantee that its current approach will meet future regulatory requirements or best practices. However, the Adviser expects that its



ESG program and associated policy will adapt and change over time in response to future developments in the regulatory landscape and from expectations of current and prospective investors.

*Data Privacy Risk.* The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, “Privacy Laws”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Advisers, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Advisers, the Funds and/or their Portfolio Companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the Advisers, the Funds and/or their portfolio companies.

*Cyber Security Breaches and Identity Theft.* ECP, the Funds and the Funds’ investments generally rely on information technology systems for current and planned operations. Cybersecurity incidents and cyber-attacks are occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Information and technology systems of ECP and the Funds’ companies and projects 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 such as fires, tornadoes, floods, hurricanes and earthquakes. There can be no guarantee that ECP, the Funds or their portfolio companies will be able to prevent or mitigate such incidents. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, ECP, the Funds, and/or one or more of their portfolio companies may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect the Funds’ investment results and its ability to make distributions to its partners. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in ECP’s, the Funds’, a company’s and/or a project’s operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm ECP’s, the Funds’, a company’s and/or a project’s reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

The Advisers, the Funds, portfolio companies, affiliates, service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business. Such systems are subject to a number of varying threats or risks that could adversely affect a portfolio company, a Fund or its investors, despite the efforts of the Advisers, management teams and services providers to adopt technologies, processes and practices intended

to mitigate these risks and protect the security of computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to a portfolio company, a Fund, a Fund's investors or the Advisers.

Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of systems to disclose sensitive information in order to gain access to data. A successful penetration or circumvention of security systems could result in the loss, theft or corruption of an investor's data, portfolio company data, the Advisers' data, a loss of funds, the inability to access electronic systems, overall disruption in operations systems, physical damage to a computer or network system or costs associated with system repairs. Such threats may also indirectly affect the Advisers, a Fund or portfolio company through cyber incidents with third party service providers or counterparties. Data taken in such breaches may be used by criminals in identity theft, obtaining loans or payments under false identities, and other crimes that could affect a Fund's investors directly and/or indirectly by affecting the value of a Fund or its portfolio companies. These risks can disrupt the ability to engage in business, cause direct financial loss and reputational damage, lead to violations of applicable laws related to data and privacy protection or cause the Advisers or a Fund to incur regulatory penalties. Some or all of such costs may not be adequately covered by insurance. Cybersecurity risks also cause increase in compliance costs and may cause the Funds, their portfolio companies and/or the Advisers to incur substantial costs relating to forensic analysis, network upgrades, and any litigation relating to a cybersecurity breach.

*Public Health Concerns and Epidemics.* The impact of disease and epidemics, or fear of the impact of disease and epidemics, may have a negative impact on the Advisers, the Funds and their investments, each of their respective affiliates and their performance and financial position of any of the foregoing. The coronavirus pandemic ("COVID 19"), renewed outbreaks of other epidemics or the outbreak of new epidemics have or could result in health or other government authorities requiring the closure of offices or other businesses and have or could result in general economic decline. For example, such events have resulted in historic market disruptions, and future such emergencies may adversely impact economic activity through disruption in supply and delivery chains and other ways that are impossible to predict, all of which may result in significant losses to the Funds.

*Business Continuity Planning Risk.* In the event of unforeseen catastrophic events such as natural disasters, terrorist attacks and epidemics, the Advisers may initiate ECP's contingency and business continuity plan to safeguard employee access to the resources and technology necessary to continue their responsibilities and meet portfolio company and investor needs. The business continuity plan is tested to ensure that appropriate measures are put in place to manage any such catastrophic events. However, the Advisers are not able to predict the level of disruption that such catastrophic events may have on its operation or the ability of the plan to succeed in a time of crisis. Thus, its business continuity plan may be insufficient to continue operating the Firm's business as usual. The failure of the business continuity plan for any reason could cause significant interruptions in the General Partner's, the Advisers', the Funds' and/or a portfolio company's operations. Similar types of operational risks are also present for the portfolio companies in which the Funds invest, which could have material adverse consequences for such companies and may cause the Funds' investments to lose value. While the Advisers have limited ability to control these risks at the portfolio-company level, the Advisers will work with portfolio companies to implement their own business continuity plans.



The Advisers initiated the ECP business continuity plan in response to the spread of COVID-19. Although ECP's personnel have generally returned to the office and have resumed domestic travel, there is no assurance that in response to any COVID-19 resurgences or future crisis that ECP's personnel will not resume working remotely and/or with restricted travel. While working remotely, employees have the necessary technology to continue meeting investor and portfolio company needs, including access to laptops with remote working capabilities and audio and video conferencing technology, and ECP's servers are capable of handling its workforce working remotely. While the implementation of the business continuity plan has not impaired the Advisers' operations to date, the ongoing implementation of the business continuity plan could affect in the future the ability of the Firm to operate effectively, including the ability of personnel to function, communicate and carry out the Funds' investment strategies and objectives. For example, the Advisers' ability to conduct due diligence on potential portfolio company investments and monitor its current investments will be limited until its operations and the operation of portfolio companies and potential portfolio companies are no longer disrupted by the COVID-19 pandemic.

*Risk Management; Third Party Operational Controls.* The operational controls and risk management techniques the Adviser uses involve third parties over whom it does not exercise control, including outsourced providers of fund administration and custody services. The proper operation of a Fund and safekeeping of its assets depend on the performance and financial wherewithal of these third parties, as well as the continued operation and security of their systems. The operational controls and risk management techniques used by the Adviser also necessarily include subjective elements, making the judgment and discretion of the Adviser's investment professionals fundamental to the risk management process. Additional operational risks arise from factors such as processing errors, human errors, inadequate or failed internal or external processes, failures in systems and technology, changes in personnel and errors caused by third parties or other disruptive events.

*Changes to Benchmark Rates.* To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("LIBOR"), Secured Overnight Financing Rate ("SOFR") or other rates (each, a "Benchmark Rate"), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

#### *Risks Relating to Making and Holding Energy Sector and Infrastructure Investments*

*Operating Risk.* The Funds will invest in operating facilities. Operation of such facilities involves certain operational risks, which include: the possibility of performing below expected levels of output, availability or efficiency; interruptions in fuel or other necessary supplies; increases in the cost of fuel or other necessary supplies; pipeline disruptions; disruptions in the offtake of steam or electrical energy; power shutdowns; breakdown or failure of equipment or

processes; accidental discharges of hazardous materials; labor disputes; changes in law; failure to obtain or maintain necessary governmental permits; or catastrophic events such as fires, earthquakes, lightning, explosions, hurricanes, tornados, floods or similar occurrences affecting a facility owned by a portfolio company of the Funds or their power purchasers, steam purchasers or other off takers, fuel or other suppliers or fuel transporters or other counterparties.

*Development Risk.* The Funds have in the past and potentially will in the future invest in projects and facilities at an early stage of development, involving risks of failure to obtain or substantial delays in obtaining: (i) regulatory, environmental or other approvals or permits; (ii) financing; and (iii) suitable equipment supply, operating and maintenance, power purchase and offtake contracts. These projects involve additional uncertainties, including the possibility that the projects may not be completed, operating licenses may not be obtained, and that either additional construction and/or permanent financing may be unavailable. Further, there is no assurance that these projects will be profitable or generate cash flow sufficient to service their debt or provide a return on or recovery of amounts invested therein.

*Construction Risk.* The Funds' investments have in the past and potentially will in the future involve significant construction risk, including the risk of substantial delay or increase in cost due to a number of unforeseen factors, including: political opposition; regulatory and permitting delays; delays in procuring real property rights; equipment; transmission grid interconnection delays; labor disputes; lawsuits and other disputes; environmental, health and safety issues; force majeure; supply-chain constraints; or failure by one or more of the infrastructure investment participants to perform in a timely manner (or at all) its or their contractual, financial or other commitments. New facilities have no operating history and may employ recently developed or technologically complex equipment that may take time to operate at peak levels of output and efficiency. A material delay or increase in cost not absorbed by other participants in the transaction could significantly impair the financial viability of an infrastructure investment project and result in a material adverse effect on the Funds' investment therein.

*Changes in the Utilities Industry.* The Funds have in the past and potentially will in the future make investments in the electric utility industry (and related industries and markets) both in the United States and abroad. A number of countries, including the United States, are considering or implementing methods to introduce and promote competition with respect to both supply and demand. To the extent competitive pressures increase and the pricing and sale of electricity assume more characteristics of a commodity business, the economics of independent power generation projects (and other energy or energy transition projects) into which the Funds may invest may come under increasing pressure. If restructuring of the energy industry and the electricity sector is reversed, discontinued, delayed or modified, this could have an adverse effect on the projects into which the Funds may invest.

*Technological Developments.* The energy and energy transition industries are characterized by rapid and significant technological advancements and introductions of new products and services using new technologies. As others use or develop new technologies, the Funds' portfolio investments may be placed at a competitive disadvantage or may be forced by competitive pressures to implement those new technologies at substantial costs. In addition, other energy and/or energy transition companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and that may in the future allow them to implement new technologies before the Funds' portfolio companies can. The Funds' portfolio companies may not be able to respond to these competitive pressures or implement new technologies on a timely basis or at an acceptable cost. Some of the Fund's investments may be predicated on businesses

that have a substantial amount of new technology risk. If one or more of the technologies the Fund's portfolio companies use now or in the future were to become obsolete, such portfolio companies' business, financial condition or results of operations could be materially and adversely affected. In the event of a new technological development that adversely affects any of the Funds' portfolio companies, the Funds generally will not be able to liquidate its portfolio company investments at an attractive price or at all because the investments owned by the Funds are not expected to be actively traded or have a ready market for sale.

*Data Infrastructure.* The Funds may make investments in the data infrastructure industry. Such investments will be subject to the risks incidental to the ownership and operation of data infrastructure assets, including risks associated with the general economic climate, geographic or market concentration, climatic risks, the ability of the Funds to manage the investments, government regulations, national and international political circumstances and fluctuations in interest rates, rates of inflation or commodities' prices such as oil. Since investments in data infrastructure and similar assets, like many other types of long-term investments, have historically experienced significant fluctuations and cycles in value, specific market conditions may result in temporary or permanent reductions in the value of an investment.

In addition, general economic conditions in relevant jurisdictions, as well as conditions of domestic and international financial markets, may adversely affect operations of the Funds. In particular, because of the long time-lag between the approval of a project and its actual funding, a well-conceived project may, as a result of changes in investor sentiment, the financial markets, economic, or other conditions prior to its completion, become an economically unattractive investment.

Portfolio companies in which the Funds invest will also be subject to additional data infrastructure sector risks, including (i) the risk that technology employed will be not be effective or efficient, (ii) the risk of equipment failures, failure to perform according to design specifications, failure to meet expected levels of efficiency, fuel interruptions, loss of sale and supply contracts; (iii) changes in power or fuel contract prices, bankruptcy of or defaults by key customers, suppliers or other counterparties, and tort liability; (iv) risk of changes of values of data infrastructure sector companies; (v) risks associated with employment of personnel and unionized labor; (vi) political and regulatory considerations and popular sentiments that could affect the ability of the Fund to buy or sell investments on favorable terms; and (vii) other unanticipated events which adversely affect operations. The occurrence of events related to any of the foregoing could have a material adverse effect on the Fund and its investments. These and other inherent business risks could affect the performance and value of the Fund's investments.

*Renewable Energy.* The Funds may make investments in renewable energy projects including energy transition projects such as storage, smart building and other energy transition sectors. The market for renewable energy and such sectors continues to evolve and its future success is uncertain. If renewable energy technology proves unsuitable for widespread commercial deployment or if the demand for renewable energy products fails to develop sufficiently (including as a result of changes in market conditions, such as a decrease in the price of fossil fuels), the Funds' investments in renewable energy projects may be adversely affected. In particular, certain of the Funds' renewable energy products may be structured to seek to incorporate renewable energy tax credits, the terms of which may change or which may be discontinued altogether. While renewable energy projects currently enjoy support from governments and regulatory agencies, there is no assurance that such support will continue in the future and any reduction or elimination of governmental support may have an adverse effect on the development and construction of such

projects. For example, it may not be economically feasible for some renewable energy projects to be developed without government incentives that support the sale of energy generated from renewable sources, such as state-adopted Renewable Portfolio Standard programs, which vary among states but generally require power suppliers to provide a minimum percentage or base amount of electricity from specified renewable energy sources for a given period of time. Additionally, the fluctuation in oil pricing could adversely affect the competitiveness of alternative fuel sources and renewables. A prolonged reduction in oil prices may have a material adverse effect on the Funds' investment program.

The Fund, a portfolio company or a project may base its investment decisions with respect to a renewable generation facility on the findings of related wind and solar studies conducted on-site prior to construction or based on historical conditions at existing facilities. However, actual climatic conditions at a facility site, particularly wind conditions, may not conform to the findings of these studies. Similarly, global climate conditions may change such that the favorable historical conditions for a renewable facility are no longer present. If solar or wind conditions are unfavorable, a company's or project's electricity generation and revenue from renewable generation facilities may be substantially below its expectations. The electricity produced and revenues generated by a solar electric or wind energy generation facility are highly dependent on suitable solar or wind conditions, as applicable, and associated weather conditions, which are beyond the Funds' control. Unfavorable weather and atmospheric conditions may cause a company's or a project's solar and wind energy facilities to not meet anticipated production levels or the rated capacity of its generation assets, which could adversely affect the business, financial condition and results of operations and cash flows.

*Reliance on Third-Party Projects.* The Funds may invest in portfolio companies and/or projects that are directly or indirectly dependent on the completion, operation and/or performance of other third party-managed projects, including in the energy exploration, supply or development chain, such as infrastructure or pipeline projects ("other projects"), over which the Advisers and their affiliates have no involvement, influence or control. Such dependence on third parties presents risks, including that third parties may be unable (or delayed as they seek) to procure necessary permits or governmental approvals for the other projects, or that the other projects otherwise will be unsuccessful or not completed within their expected timeframe or at all based on one more of the risk factors set forth herein. Delays with respect to other projects, or the inability of third parties to successfully complete and operate other projects upon which a Fund's portfolio company and/or project is dependent will negatively impact the ability of such Fund's portfolio company and/or project to perform as anticipated at the time of the Fund's investment, and likely will result in losses to such portfolio company or project, and therefore negatively impact the Fund's returns.

*Adequacy and Availability of Insurance; Catastrophic Events.* When applicable, the Funds intend to use insurance and other risk management products (to the extent available on commercially reasonable terms) when making infrastructure investments in order to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance. When making a non-controlling investment, the Funds intend to require appropriate covenants of sponsors to use prudent insurance and other risk management products. However, this may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived 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 of assets. In addition, 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 Funds' profitability. In general, losses related to terrorism are becoming harder and more expensive to insure against. Some insurers are excluding terrorism coverage from their all-risk policies. In some cases, insurers are offering significant limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, not all the Funds' investments may be insured against all potential causes of damages or loss. If a major uninsured loss were to occur with respect to an investment, the Funds could lose both their capital invested in and anticipated profits related to such investment.

*Volatility of Commodity Prices.* The performance of certain investments of the Funds is dependent at least in part upon prevailing prices of certain commodities, including the price of electricity and the price of fuel. Historically, the markets for certain commodities, including oil, gas, coal and power, have been volatile, and such markets are likely to continue to be volatile in the future. Prices for certain commodities are subject to wide fluctuation in response to relatively minor changes in the supply of and demand for such commodities, market uncertainty and a variety of additional factors that are beyond the control of the Advisers or the Funds. These factors include the following: (i) worldwide and regional economic conditions impacting the global supply and demand for commodities generally, including natural gas, coal, NGLs, and oil; (ii) the price and quantity of imports of foreign natural gas, including liquefied natural gas; (iii) political conditions in or affecting other producing countries, including conflicts in the Middle East, Africa, South America and Russia; (iv) the level of global exploration and production; (v) the level of global inventories; (vi) prevailing prices on local price indexes; (vii) localized and global supply and demand fundamentals and transportation availability; (viii) weather conditions; (ix) technological advances affecting energy consumption; (x) the price and availability of alternative fuels; (xi) domestic, local and foreign governmental regulation and taxes; (xii) refining capacity; (xiii) actions of the Organization of Petroleum Exporting Countries; (xiv) sanctions imposed on other oil and commodity producing countries. and (xv) the availability of tax credits or other incentives supporting the energy transition sectors. In addition, governments may intervene directly and by regulation, with the intent to influence price directly, which may cause rapid movement in commodity prices.

*Inflation.* Globally, countries have experienced and may in the future experience substantial, and in some periods extremely high, rates of inflation. Inflation and rapid fluctuations in inflation rates have had and continue to have negative effects on the economies and securities markets (both public and private) of certain countries in which the Funds may invest and may materially and adversely affect the Funds' investment results. These economic conditions may make it riskier and more difficult for an Adviser to execute on a Fund's investment strategy successfully, including finding attractive investments and executing on opportunities for realizing value from investments. Additionally, the ability for a Fund's and its investments to borrow on attractive terms may be adversely affected.

*Regulatory Approvals; Permits.* Portfolio companies and projects in which the Funds invest are expected to be required to comply with numerous United States federal, state and local laws and regulations, including those related to air emissions, water discharge, waste management and disposal, hazardous substances, protection of wildlife and natural resources and safety and health, and to obtain and maintain numerous permits and approvals required for their construction and operation. Compliance with these various laws and regulations may cause portfolio companies and projects to incur significant costs and may impact their respective businesses. In addition, the Funds may be required to obtain the consent or approval of applicable regulatory authorities in order to acquire or hold investments in particular portfolio companies or projects. For example,



certain of the Funds' investments may be subject to Federal Energy Regulatory Commission approval under the United States Federal Power Act or the United States Natural Gas Act. In addition, certain of the Funds' investments may be subject to the approval of state-level utility commissions in those instances where such bodies have jurisdiction. If the Funds' investments are unable to obtain required consents or approvals, the Funds may be unable to enter into transactions or to structure transactions in ways that are optimal for the Funds or particular the Funds' vehicles.

The Funds may invest in portfolio companies or projects they believe have obtained all material United States federal, state, local or foreign regulatory approvals and permits required to construct, acquire and operate their facilities. However, such approvals and permits may be subject to conditions, and there is no assurance that such portfolio companies and projects will be successful in meeting such conditions. A failure to satisfy such conditions could limit or terminate the construction or operation of certain facilities or result in additional costs to such portfolio companies and projects, which may adversely affect the Funds' investment results. There can be no assurance that a portfolio company or project will be able: (i) to obtain all required regulatory approvals and permits; (ii) to obtain any necessary modifications to existing regulatory approvals and permits; or (iii) to renew and otherwise maintain required regulatory approvals and permits; or (iv) to comply with all terms of all regulatory approvals and permits. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals and permits (or amendments thereto) or delay or failure to satisfy any regulatory conditions or other applicable requirements (which may change over time), could materially limit or terminate the construction or operation of a facility or sales of such facility to third parties, or could result in additional costs to a portfolio company or project and materially and adversely affect the Funds' investment results.

*Regulatory Changes.* A portfolio company or project in which the Funds invest could be materially and adversely affected as a result of new laws or regulations, or statutory or regulatory changes or changes in judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company or project, the markets in which such company or project operates or such company's or project's industry generally. For example, environmental laws regulating infrastructure projects could become more restrictive, as governments aim to limit the impact of infrastructure on the environment, wildlife and natural resources and reduce the emissions of greenhouse gases. In addition, recent extreme weather events in Texas have led to calls for the reform of existing energy regulations. For instance, the Texas state legislature is currently considering proposals to reform the Electric Reliability Council of Texas ("ERCOT") and to require ERCOT to implement measures to prepare facilities to maintain service quality and reliability during a weather emergency, which could result in power generators in the state needing to make costly improvements to winterize existing power plants. Such changes could materially and adversely affect the performance of one or more of the Funds' investments. Moreover, additional regulatory approvals and permits, including renewals, extensions, transfers, assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and regulations, a change in the companies' customer(s), or for other reasons. Changes in laws and regulations could result in increased compliance costs, additional capital expenditures or unanticipated liabilities. A portfolio company or project also could be materially and adversely affected by regulations that have been vacated, remanded or otherwise limited by court decisions, which creates considerable uncertainty as to how these regulations will be modified and/or ultimately implemented. Any such modifications could alter the competitive landscape and/or the nature of the markets in which a portfolio company or project operates in a material and adverse manner to such portfolio company or project.



Additionally, some Fund investments may economically rely on subsidies, grants, credits, other government-imposed incentive structures and may require attractive regulatory regimes to achieve profitability. There can be no assurance that such government support will continue. The elimination of, or reduction in, government policies that support energy infrastructure could have a material adverse effect on a portfolio investment's financial condition or results of operation.

*Environmental Liabilities and Risks.* Large-scale infrastructure projects in which the Funds intend to invest may have a significant impact on their local environments, or be particularly susceptible to events or changes in those environments or to requirements of political or administrative authorities in respect of their environmental impact. In addition, several U.S. federal environmental regulatory programs could impact or potentially impact the Funds' portfolio companies, including the Clean Air Act ("CAA") and regulations thereunder, which regulate air emissions; the Clean Water Act ("CWA") and regulations thereunder, which regulate the discharge of pollutants in industrial wastewater and storm water runoff; the Resource Conservation and Recovery Act ("RCRA") and regulations thereunder, which regulate the management and disposal of hazardous and non-hazardous solid wastes; and the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA" or known more commonly as "Superfund") and regulations thereunder, which impose liability for the remediation of releases of hazardous substances in the environment; in addition to regulation under the Occupational Safety and Health Act ("OSH Act") and regulations thereunder, which regulate the protection of the safety and health of workers. Analogous state and local laws and regulations may also apply. An owner of an infrastructure asset may be liable for past and future damages caused by emissions or releases to the environment located on or emitted from or otherwise attributable to the asset, as well as for the costs of remediation and, in some circumstances, fines, penalties or other sanctions. Such liabilities could exceed the value of the infrastructure asset at issue and could result in claims against the owner that would result in the loss of other assets of the owner. While the Advisers will endeavor to acquire infrastructure assets that do not present a material risk of such liabilities, environmental liabilities may arise as a result of factors, including changes in laws or regulations and the existence of conditions that were unknown at the time of acquisition or operation or are beyond the control of the Advisers. If the Funds' portfolio companies are subject to liability under these environmental laws or regulations, there could be a material and adverse impact on the Funds' financial performance. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners or a partnership (such as the Funds) subject to environmental liability. However, a limited partner in the Funds may reduce its risk of such personal liability by avoiding activities with respect to the Funds' portfolio investments other than as specifically contemplated by the partnership agreements.

*Climate Change Laws and Regulations Restricting Emissions of Greenhouse Gases.* In response to published findings that emissions of carbon dioxide, methane and other greenhouse gases ("GHGs") present an endangerment to public health and the environment, the Environmental Protection Agency ("EPA") has adopted regulations under existing provisions of the federal Clean Air Act that, among other things, establish Prevention of Significant Deterioration ("PSD") construction and Title V operating permit reviews for certain large stationary sources that are potential major sources of GHG emissions. Facilities required to obtain PSD permits for their GHG emissions also will be required to meet "best available control technology" standards that will be established by the states or, in some cases, by the EPA on a case-by-case basis. These EPA rulemakings could adversely affect a portfolio company's operations and restrict or delay its ability to obtain air permits for new or modified sources. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified sources in the United States on an annual basis.

In January 2021, the Biden administration issued an executive order directing all federal agencies to review and take action to address any federal regulations, orders, guidance documents, policies and any similar agency actions promulgated during the prior administration that may be inconsistent with the administration's policies. In March 2024, the SEC adopted significant rulemaking intended to enhance and standardize climate-related disclosures by public companies, including disclosure of GHG emissions. In addition, Congress has considered legislation to restrict or regulate emissions of greenhouse gases. While it remains unclear whether Congress will be able to agree on comprehensive climate legislation in the near future, energy legislation and other initiatives may seek to address greenhouse gas emissions issues or restrict oil and gas operations. In the absence of federal climate legislation, almost half of the states, either individually or through multi-state regional initiatives, have begun to address GHG emissions, primarily through the planned development of emission inventories or regional GHG cap and trade programs. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact the Fund's investment program, any such future laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, a portfolio company's equipment and operations could require it to incur costs to reduce emissions of GHGs associated with its operations. Substantial limitations on GHG emissions and foreign governments' pursuit of climate change goals could also adversely affect demand for oil and natural gas. Finally, it should be noted that some scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events; if any such effects were to occur, they could have an adverse effect on a portfolio company's E&P operations.

*Competition for ESG and Climate-Related Investments.* Due to increasing market interest in ESG and climate-related investing, the Funds are likely to encounter competition from other entities having a similar focus on these areas. The Advisers expect that competition for appropriate investment opportunities in these areas will increase, which may increase the difficulty of finding investments at attractive prices or at all, increase the likelihood the Funds will pay higher prices for investments, conduct less due diligence and/or provide certain seller favorable terms in transactions, and/or decrease the likelihood of the Funds obtaining buyer favorable terms in transactions.

*Governmental Contract Risk.* To the extent that the Funds invest in infrastructure assets that are governed by concession agreements with national, provincial or local authorities, there is a risk that these authorities may not be able to honor their obligations under the agreement, especially over the long term. The leases or concessions may also contain clauses more favorable to the governmental counterparty than a typical commercial contract and may restrict the Funds' ability to operate the investment in a way that maximizes cash flows and profitability. Governments typically have considerable discretion in implementing regulations that could impact these businesses, may be influenced by political (rather than just economic) considerations and may make decisions that adversely affect the Funds' investments.

*Use of Derivatives and Other Specialized Techniques.* Companies in the energy and power industry engage in derivatives transactions and other hedging techniques to insulate against a number of risks, including commodity price risk, exchange rate risk and interest rate risk. The Funds and/or their portfolio companies and projects in which the Funds invest may engage in other derivative or similar transactions. These transactions may involve the purchase and sale of commodities or commodity futures, the use of forward contracts, swap agreements, put and call options, floors, collars or other arrangements. Such instruments may be difficult to value, may be

illiquid and may be subject to wide swings in valuation caused by changes in the price of commodities or other underlying assets or market conditions. Pursuant to the Dodd- Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”), the United States Commodity Futures Trading Commission obtained regulatory jurisdiction over certain derivative transactions, and, as a result, the Advisers, the Funds and their portfolio companies and projects may be subjected to additional regulation if an exemption is not available and could create additional uncertainty and costs for these companies’ and projects’ hedging activities. Derivative instruments may trade principally on markets organized outside the United States and markets for derivative instruments may be illiquid, highly volatile and subject to interruption. Suitable hedging instruments may not continue to be available at reasonable cost. The investment techniques related to derivative instruments are highly specialized and may be considered speculative. Such techniques often involve forecasts and complex judgments regarding relative price movements and other economic developments. The success or failure of these investment techniques may turn on small changes in exogenous factors not within the control of these portfolio companies, projects, the Advisers or the Funds. For all the foregoing reasons, the use of derivatives and related techniques can expose the Funds and the portfolio companies and projects in which the Funds invest to significant risk of loss.

*Increased Regulatory Scrutiny of Fund Sponsors.* The SEC has recently increased its scrutiny of the private fund industry, including conducting numerous examinations and bringing a number of enforcement actions against private fund managers. In light of the heightened regulatory environment in which the Advisers operate and the ever-increasing regulatory burdens applicable to private investment funds and their investment advisers, it has become increasingly expensive and time consuming for the Advisers and their affiliates to comply with applicable regulatory reporting and compliance-related obligations. The SEC has also recently proposed and adopted a number of new rules and regulations that will affect the Advisers and their operations. Generally these and any future proposed rules would require the Advisers and their affiliates to expend additional expenses and resources on compliance and increase costs of doing business. The regulatory environment for private funds and other financial entities continues to evolve. Further changes in law or regulations may adversely affect the value of Fund investments, may affect the ability of the Funds to pursue their investment strategies, or may restrict or prevent the Advisers from continuing to perform services for the Funds in the manner currently contemplated. The effect of any future regulatory changes on the Advisers and the Fund cannot be predicted at this time but could be substantial.

*Broken Deal Expenses.* Investments in the energy and energy transition industries often require extensive due diligence activities and regulatory approvals prior to acquisition. Due diligence may include feasibility and technical studies, preliminary engineering and marketing studies, and legal and environmental review, any or all of which may entail significant third-party expenses. In the event that an investment is not consummated, the Funds will generally bear all broken deal expenses, including such third-party expenses and any termination fees, including in potential transactions where a co-investor (including a third-party investor) or other investment is contemplated or involved.

*Uncertainty of Estimates.* Estimates of energy and natural resources reserves (e.g., hydrocarbon reserves or mineral reserves) and of factors such as solar energy intensity and movement of wind and water flow (for solar, wind and hydroelectric power, respectively) by qualified engineers are often a key factor in valuing certain energy and natural resource companies and related infrastructure assets or businesses. The process of estimating reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological,

geophysical, engineering and economic data. These estimates are subject to wide variances based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such estimates to be significantly revised creating significant changes in the value of the assets or business owning such reserves.

*Weather and Climate Risks.* Certain energy companies and assets are particularly sensitive to weather and climate conditions. There can be no assurance that weather and climate patterns will remain constant or be predictable throughout the term of a Fund. Accordingly, the profitability of certain of a Fund's portfolio companies and projects may be adversely affected by weather and climate changes, thereby potentially decreasing aggregate returns to the Fund.

*Unionized Labor.* Additionally, certain portfolio companies of the Funds may have a unionized workforce or employees who are covered by a collective bargaining agreement, which could subject any such portfolio company's activities and labor relations matters to complex laws and regulations relating thereto. Moreover, a portfolio company's operations and profitability could suffer if it experiences labor relations problems. Upon the expiration of a portfolio company's collective bargaining agreements, the portfolio company may be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more of any such portfolio company's facilities could have an adverse effect on its business, results of operations and financial condition, and as a result would likely have an adverse effect on the performance of the applicable Fund.

#### ***ADDITIONAL RISKS FOR FUNDS THAT INVEST IN PUBLIC SECURITIES***

*Non-Controlling Investments.* The Advisers anticipate that certain Funds will principally hold minority stakes in public companies and in some cases will have limited or no minority protection rights, no right to appoint a representative to the board of directors (or similar governing body) and/or limited opportunities to provide input or otherwise impact the governance, performance or operations of such public companies in which such Funds invest. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it may be more difficult for such Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. Even if a Fund has contractual rights to seek liquidity of such Fund's minority interests in such companies, it may be very difficult to sell such interests or 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 and investment objectives and goals.

*Special Purpose Acquisition Companies ("SPACs").* The Advisers expect that certain Funds will make equity investments via PIPEs into energy transition companies that are seeking access to the public markets through a merger with a SPAC and may also be authorized to invest in stock, warrants, and other securities of SPACs (as well as forward contracts as discussed below). Unless and until an acquisition is completed, a SPAC generally invests its assets (less a portion retained to cover expenses) in U.S. government securities, money market securities and cash. If an acquisition that meets the requirements for the SPAC is not completed within a pre-established period of time, the invested funds are returned to the entity's shareholders, less certain permitted expenses (and any loss in value), and any warrants, forward contracts and/or rights issued by the

SPAC will expire worthless. Because SPACs and similar entities are blank check companies without operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable acquisition, which may not occur. An investment in a SPAC is also subject to the risks that any proposed acquisition or merger may not obtain the requisite approval of SPAC shareholders or that an acquisition or merger may prove unsuccessful and lose value. An investment in a SPAC is also subject to the risk that a significant portion of the funds raised by the SPAC may be expended during the search for a target acquisition or merger. There is no guarantee that the SPACs in which the Funds invest will complete an acquisition or that any acquisitions that are completed will be profitable. SPACs in which the Funds expect to invest will pursue acquisitions within the energy and energy transition industries, which may increase the volatility of their prices. In addition, the securities issued by a SPAC may be illiquid and/or be subject to restrictions on resale, which may be for an extended time, and/or the SPAC or any company it combines with may be delisted from trading on an exchange and only be traded in the over-the-counter market. If there is no market for the shares of the SPAC or only a thinly traded market for shares or interests in the SPAC develops, the Funds and/or the limited partners in the Funds (in the event a Fund makes an in-kind distribution) may not be able to sell their interests in a SPAC or to sell their interests only at a price below what the Advisers believe is the SPAC interest's value.

In addition, investments in SPACs and PIPE transactions may be subject to the risks of investing in an initial public offering ("IPO"). These risks include risks associated with companies that have little or no operating history as public companies, unseasoned trading and small number of shares available for trading and limited information about the issuer. The market for IPO issuers including SPACs may be volatile, and share prices of newly-public companies have fluctuated significantly over short periods of time. Although some IPOs may produce high returns such returns are highly unusual and may not be sustainable.

*Private Investment in Public Equities ("PIPE") Investments.* The Advisers expect that certain Funds will make equity investments via PIPEs. PIPE investments are generally purchased in a private placement transaction. In a PIPE transaction, the Fund will typically bear the price risk from the time of pricing until the time of closing. The Fund will generally not be able to sell or distribute PIPE securities unless they are registered under applicable securities laws or an exemption from such registration is available. In connection with any SPAC merger PIPE investment, the Fund expects to enter into a registration rights agreement with the issuer pursuant to which the issuer commits to file a resale registration statement allowing the Fund to publicly resell its securities. However, the ability of the Fund to freely transfer the shares pursuant to the registration statement is conditioned upon, among other things, the effectiveness of the resale registration statement and subject to the issuer's right to suspend the Fund's use of the resale registration statement if the issuer is pursuing a transaction or otherwise possesses material non-public information. Accordingly, PIPE securities may be subject to risks associated with illiquid investments, including the inability of the Fund to dispose of such investments. In addition, even after the securities are saleable, it may take a significant period of time for the Fund to sell or distribute PIPE securities in an orderly manner, during which time profit could have otherwise been realized or loss avoided, and in some cases the Fund is expected to be prohibited by contract or law from selling such public company securities for a period of time. These circumstances or events could reduce the Fund's profitability. In addition, the general partners of the Funds may be authorized to distribute securities in kind to investors, and these securities may not be tradeable by investors for a period of time following distribution. The Funds' and/or the investors' sales of thinly traded securities also could depress the market value of such securities. Conversely, the Funds have no obligation to sell or distribute securities within any specific period of time and are



authorized to hold public securities for such period of time as the Advisers determine in their sole discretion.

There is a possibility that subsequent to the Fund's investment in a company, a third-party investor will seek to acquire such company in a take-private transaction in which it acquires all of the company's outstanding publicly traded shares, including those owned by the Fund. While the Fund generally would be expected to have the right to vote on such a transaction alongside other shareholders, it may not be able to control the approval of such a transaction. Therefore, to the extent other shareholders vote to approve such a transaction, the Fund will be forced to exit its investment at a price that may not be as favorable as if the investment in the company was held for a longer period of time. Conversely, if such a transaction is rejected by shareholders, the Fund may not be able to exit its investment at a price as favorable as the purchase price offered by an investor to take the company private. Additionally, in the event of a take-private transaction in which the Fund's interest company is not acquired, an entity other than the Fund will control a majority of the voting power of the company. As a result, the Fund will not be able to control any or all corporate decisions that the company or its management makes, the Fund may have limited or no minority protection rights, and the Fund's investment will not have the control characteristics of majority or controlling stakes.

#### ***ADDITIONAL RISKS FOR THE CREDIT FUNDS***

*Leveraged Nature of Credit Investments.* The projects and portfolio companies in which the Credit Funds invest may be highly leveraged, thereby increasing the degree of credit risk inherent in each Credit Fund investment. Leverage often imposes restrictive financial and operating covenants on a borrower, in addition to the burden of debt service, and may impair a project's ability to finance future operations and capital needs or to pay principal and interest on a Credit Fund's investments when due. The leveraged capital structure of projects and portfolio companies will increase the exposure of a Credit Fund's investments to any deterioration in a project's condition or industry, competitive pressures, an adverse economic environment or rising interest rates. A Credit Fund's investments may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured and bear floating interest rates. In the event any project or portfolio company cannot generate adequate cash flow to meet debt service, a Credit Fund may suffer a partial or total loss of capital invested in the project or portfolio company, which could adversely affect the returns of the Credit Fund. Furthermore, the securities in which a Credit Fund will invest generally will not be rated by a credit rating agency.

*Non-Controlling Investments.* The Credit Funds anticipate that they will principally hold debt obligations and other non-controlling interests in projects and, therefore, will have a limited ability to protect the Credit Funds' positions in such projects. However, the Advisers will seek such creditor and shareholder rights as it deems appropriate to help protect the Credit Funds' interest.

*Insolvency Considerations.* Any investments held by the Credit Funds may be subject to various laws enacted in the home country, jurisdiction or state of the applicable borrower for the protection of creditors. Insolvency considerations may differ depending on the jurisdiction in which each borrower is formed and/or located and may differ depending on whether the borrower is a non-sovereign or a sovereign entity. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of a borrower entity, such as a trustee in bankruptcy, were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such investment and, after giving effect to such indebtedness, the



borrower: (i) was insolvent; (ii) was engaged in a business for which the remaining assets of such borrower constituted unreasonably low capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. There can be no assurance as to what standard a court would apply in order to determine whether the borrower was “insolvent” after giving effect to the incurrence of the indebtedness constituting the investment, or that, regardless of the method of valuation, a court would not determine that the borrower was “insolvent” upon giving effect to such incurrence. In addition, in the event of the insolvency of a borrower, payments made on the applicable loan could be subject to avoidance as a “preference” if made within a certain period of time (which may be as long as one year and one day) before insolvency. In addition, if a borrower is the subject of a bankruptcy proceeding, payments to a Credit Fund with respect to such investment may be delayed or diminished as a result of the exercise of various powers of the bankruptcy court, including, without limitation, the following: (A) an “automatic stay,” under which a Credit Fund will not be able to institute proceedings or otherwise enforce its rights against the borrower or obligor with respect to a Credit Fund’s investment without permission from the court; (B) conversion by the bankruptcy court of a Credit Fund’s investment into more junior debt or into an equity obligation of the borrower or obligor; (C) modification of the terms of a Credit Fund’s investment by the bankruptcy court, including, without limitation, reduction or delay of the interest or principal payments thereon; and (D) grant of a priority lien to a new money lender to the borrower or obligor on the applicable loan.

*Lender Liability Considerations; Equitable Subordination.* A number of judicial decisions in the United States have upheld the right of borrowers to sue lenders or bondholders on the basis of various evolving legal theories (collectively termed “lender liability”). Generally, lender liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or shareholders. Although the Credit Funds do not intend to engage in conduct that they expect would form the basis for a successful cause of action based upon lender liability, the potential for such a cause of action exists. In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called “equitable subordination”. Although the Credit Funds do not intend to engage in conduct that they expect would form the basis for a successful cause of action based upon the equitable subordination doctrine, the potential for such a cause of action exists. The preceding discussion is based upon principles of United States federal and state laws. Insofar as subsidiaries of the Credit Funds or investments are formed under the laws of non- United States jurisdictions, the laws of such non-United States jurisdictions may impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under United States federal and state laws.

## ***ADDITIONAL RISKS FOR CREDIT SOLUTIONS II***

*Loan Origination and Illiquid Investments.* If Credit Solutions II desires to sell or assign a loan that it originates, but is unable to sell, assign or successfully close transactions for assignments or participations in such loans, Credit Solutions II will be forced to hold such a loan until such time as it can be disposed, during which time Credit Solutions II may be “overweighted” with respect to a particular borrower. In addition, in connection with any loan origination activity, Credit Solutions II may determine, in consultation with its tax advisors, that there is a risk that Credit Solutions II’s lending activity may cause Credit Solutions II to be treated as engaged in a trade or business for United States federal income tax purposes. In such a case, Credit Solutions II may offer participations in and/or assignments or sales of loans (and related equity interests) to the Blocker Fund, generally after a predetermined holding period and at an arms’-length price. If Credit Solutions II adopts such a structure, in determining the target amount to allocate to a particular loan origination, Credit Solutions II will take into consideration the fact that it anticipates selling, assigning or offering participations in such investment to the Blocker Fund. To the extent that Credit Solutions II is not successful in consummating any such participation, assignment or sale to the Blocker Fund (and during any applicable holding period), Credit Solutions II will be forced to hold such excess until such time as it can be disposed of, during which time Credit Solutions II may be “overweighted” with respect to a particular borrower. In addition, the inability to successfully consummate any such participation, assignment or sale to the Blocker Fund pursuant to the preceding sentence will likely result in under-utilization of the Blocker Fund’s capital available for investment. Credit Solutions II may make investments that are subject to legal or other restrictions on transfer or for which no liquid market exists, such as private placement originated loans. Illiquidity increases risk and volatility and may make it impossible to close out positions against which the market is moving or to realize such positions’ value at the time of sale.

*Nature of Investment in Senior Debt.* Credit Solutions II’s investments may include first lien and second lien senior secured debt. Such debt may (i) include term loans and revolving loans, (ii) pay interest at a fixed or floating rate and (iii) be acquired by way of purchase or assignment in the primary and secondary markets. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a contracting party under the legal documentation with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. The factors affecting an issuer’s first and second lien loans, and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other unsecured debt of an issuer. For example, some first lien loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company) or involve first liens only on specified assets of an issuer. Issuers of first lien loans may have two tranches of first lien debt outstanding, each with first liens on separate collateral. Second lien loans are subordinate in right of payment to one or more senior secured loans of the related borrower and therefore are subject to additional risk that the cash flow of the related borrower and the property securing the loan may be insufficient to repay the scheduled payments to Credit Solutions II after giving effect to any senior secured obligations of the related borrower. Second lien senior loans are also expected to be a more illiquid investment than first lien senior secured loans for such reason. There also is less likelihood that Credit Solutions II will be able to sell participations in second lien loans that it originates or acquires, which would expose Credit Solutions II to increased risk. Senior secured credit facilities may be syndicated to a number of different financial market participants. The documentation

governing such facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the loan, such as waivers, amendments, or the exercise of remedies. In addition, voting to accept or reject the terms of a restructuring of a credit pursuant to a Chapter 11 plan of reorganization is usually done on a class basis. As a result of these voting regimes, Credit Solutions II may not have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring or reorganization of an investment. Senior secured loans are also subject to other risks and can cause unsecured creditors to seek remedies in order to limit Credit Solutions II's potential recovery of such investments, including (i) the possible invalidation of a debt or lien as a "fraudulent conveyance"; (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing; (iii) equitable subordination claims by other creditors; (iv) "lender liability" claims by the issuer of the obligations; (v) environmental liabilities that may arise with respect to collateral securing the obligations; (vi) recharacterization claims in which certain creditors may seek to have Credit Solutions II's debt positions recharacterized as equity and therefore subordinate Credit Solutions II's claims to such creditors' claims; and (vii) designating the vote (i.e., ignoring the customary class vote system) under a Chapter 11 plan of reorganization in which lenders are entitled to vote as a class.

*Default Rates of Loans and High-Yield Instruments.* Credit Solutions II may make investments that may be classified as "higher-yielding" (and, therefore, higher-risk). In most cases, such investments 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. In addition, such investments are generally unsecured, typically are subordinated to other obligations of the obligor and generally have greater credit and liquidity risk than is typically associated with investment grade obligations. Issuers are often highly leveraged and may not have available to them more traditional methods of financing. Such investments are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent and less liquid than the exchange-traded marketplace. The market for high-yield instruments has experienced periods of volatility and reduced liquidity. The market values of certain of these debt instruments may reflect individual corporate developments. General economic recessions or a major decline in the demand for products and services in which the company provides would likely have a materially adverse impact on the value of such instruments. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these high-yield debt instruments. Furthermore, the historical performance of the high-yield market is not necessarily indicative of its future performance, and the numerous methods for calculating default rates leave a significant amount of uncertainty in the potential profitability of Credit Solutions II's investment in such instruments. Should increases in default rates occur with respect to the instruments acquired by Credit Solutions II, it could result in substantial losses to Credit Solutions II.

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## **ITEM 9                      DISCIPLINARY INFORMATION**

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Except as described below, there are no legal or disciplinary events to be disclosed pursuant to this Item 9.

On June 14, 2022, without admitting or denying the SEC's findings, ECP consented to the entry of an order (the "Order") to cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rules 206(4)-7 and

206(4)-8 thereunder. According to the order, ECP failed to timely disclose to Fund III's limited partners that Fund III (and its parallel vehicles) would bear more (relative to certain third-party equity investors) than its *pro rata* ownership share of certain expenses associated with an equity bridge facility raised to facilitate a take private transaction. The Order also states that, in determining to accept ECP's settlement offer, the SEC considered ECP's remedial acts, including ECP's voluntarily payment of the \$3.318 million (plus interest) to Fund III investors due to the untimely disclosure. In addition, ECP paid a civil monetary penalty of \$1 million.

## **ITEM 10      OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

ECP Management is affiliated with other ECP management companies that are registered investment advisers in accordance with SEC guidance under the Advisers Act pursuant to ECP Management's registration. Currently, ECP ForeStar Management, LP is the only relying advisor.

ECP Management is also affiliated with other ECP general partners, each of which relies on ECP Management's investment adviser registration in accordance with SEC guidance under the Advisers Act.

These affiliated investment advisers operate as a single advisory business together with ECP Management and serve as managers or general partners of private investment funds and other pooled vehicles and often share common owners, officers, partners, employees, consultants or persons occupying similar positions. All of these Advisers are under common control and subject to ECP's code of ethics and compliance programs adopted pursuant to the requirements of the Advisers Act.

## **ITEM 11      CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING**

### ***CODE OF ETHICS***

The Advisers have adopted a Code of Ethics and Securities Trading Policy and Procedures (the "Code"), which sets forth standards of conduct that are expected of the Advisers' principals, employees and their family members living in the same household and addresses conflicts that are expected to arise from personal trading. The Code requires ECP personnel and their family members living in the same household to report their personal securities transactions, requires pre-clearance for ECP personnel and their family members living in the same household for directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering or private placement, and, with limited exceptions, in other securities, without first obtaining approval from ECP's Chief Compliance Officer. The Code also places certain restrictions (subject to limited exceptions) on ECP personnel and their family members living in the same household on trades in specified energy public securities. A copy of the Code will be provided to any client, prospective client or any investor in an ECP Advised Fund upon request to Jennifer Gray, ECP's Chief Compliance Officer, at [compliance@ecpgp.com](mailto:compliance@ecpgp.com).

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

Accordingly, should the Advisers or their principals or employees come into possession of material nonpublic or other confidential information with respect to any public company, the Advisers are prohibited from communicating such information to clients, and the Advisers have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions are expected to be applicable as a result of the Advisers' personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds. Due to these restrictions, the ECP Advised Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

### ***POTENTIAL CONFLICTS OF INTEREST***

The following discussion includes certain potential conflicts of interest, although the discussion below does not describe all of the conflicts that could potentially be faced by an ECP Advised Fund.

#### ***Participation or Interest in Client Transactions***

When two or more fund vehicles are formed as part of the same Fund for making the same investments, the Advisers will allocate investments made by such fund vehicles based on their relative partners' commitments, subject to any limitations in the applicable partnership agreements.

Additionally, the Funds are permitted to invest in the same projects or portfolio companies with other ECP Advised Funds, subject to limitations set forth in the applicable partnership agreements. However, the Mezzanine Fund is prohibited from investing in any securities owned by an Equity Fund, and Credit Solutions II is prohibited from investing in any company, if as of the date of the initial investment therein, one or more other ECP Advised Funds, individually or collectively, have the right to appoint a majority of the voting members of such company's board of directors or other governing body. Such investments are permitted to be in different parts of the capital structure of a company in which one or more ECP Advised Funds and/or Tailored Vehicles have an investment in a debt and/or equity tranche, except where the governing documents of an ECP Advised Fund expressly provide to the contrary. Consequently, given the differing tranches and corresponding priorities in the capital structure of a single company, the Advisers and members of the ECP team expect in certain circumstances to face a conflict of interest in respect of the advice they have given to, and the actions they take on behalf of, the ECP Advised Funds or such Tailored Vehicle. In addition, where one or more ECP Advised Funds or Tailored Vehicles invest in different parts of the capital structure, their respective interests are expected to diverge significantly in the case of financial distress of the company. Similarly, conflicts of interest are expected to arise when a Fund makes an equity investment in a portfolio company in conjunction with an equity investment made by another Fund or other vehicle sponsored by the Advisers. In such circumstances, the Funds may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies, or have the same economic



interest or rights as each other, and each Fund may have a different investment timeline and strategy. This could result in differences in price, investment terms (including with respect to follow-on investments), leverage and associated costs between such Funds. Furthermore, investments by more than one client of the Advisers in a portfolio company also have the potential to raise the risk of using assets of one client of the Advisers to support positions taken by other clients. There can be no guarantee that such Funds or other clients will exit the investment at the same time or on the same terms. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund that was allocated such opportunity typically will bear the full amount of broken deal expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions.

The Advisers will determine allocations of investment opportunities in a manner that they believe is fair and equitable to the ECP Advised Funds and Tailored Vehicles consistent with the Advisers' obligations to each such ECP Advised Fund, including as set forth in the partnership agreement and the Advisers' allocation policy. Where necessary, the Advisers consult and receive consent to conflicts from an advisory committee consisting of limited partners of the Fund or Funds subject to any conflict of interest. However, the members of such LP advisory committee may disproportionately represent one or more of the entities or categories of limited partners comprising such Fund. Additionally, the composition of the LP advisory committee of a Fund could have substantial overlap with the composition of the LP advisory committee of another Fund, which could lead to conflicts of interest if there are transactions between such Funds that require advisory committee consent or approval.

Since the Advisers may be reimbursed for certain compensation and other fees and expenses that relate to the employment of certain expected portfolio company employees (as described under "Fees and Compensation"), they could have a conflict of interest in connection with the applicable ECP Advised Fund's initial investment in such portfolio company and the resulting reimbursement of such amounts or receipt of Offset Fees. In addition, as a result of the ECP Advised Funds' controlling interests in portfolio companies, the Advisers and their affiliates typically have the right to appoint board members to such portfolio companies, or to influence their appointment, and to determine or influence a determination of their compensation. The Advisers and their affiliates are permitted to also employ personnel with pre-existing ownership interests in portfolio companies owned by the ECP Advised Funds. Additionally, the Advisers, their affiliates and/or personnel maintain relationships with (or may invest in) financial institutions or other service providers, some of which will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services to, the Advisers and/or their affiliates, and/or the ECP Advised Funds or other investment vehicles they advise. In addition, portfolio companies may from time to time pay certain fees and expenses of third-party consultants (including consultants introduced or arranged by the Advisers and/or their affiliates that regularly provide services to one or more ECP Advised Fund portfolio companies), and such fees and expenses will not offset the Management Fee as described herein. Any of these situations subjects the Advisers and/or their affiliates to potential conflicts of interest.

The Advisers' principals, employees or senior advisors invest in other private equity investment vehicles (including single investor co-investments) managed by other advisers. In some cases, the Advisers or the ECP Advised Funds will purchase portfolio companies that are owned by such other investment vehicles, which could indirectly benefit any principals, employees or senior advisors.

Subject to the governing documents of an applicable ECP Advised Fund, the Advisers are permitted to cause a Fund to, (i) purchase a portfolio company or certain assets of a portfolio company from another Fund, or (ii) invest alongside such other Funds, third-party consortium investors or Co-Invest Funds. Such transactions may arise in the context of automatic re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company owned by another Fund. In some cases, a portfolio company of one Fund could be merged with or into a portfolio company owned by another Fund. Any of these transactions may create conflicts of interest where, (i) the investment of one Fund supports the value of portfolio companies owned by another Fund, and/or (ii) the transaction allows the Adviser or its affiliates to realize carried interest or receive future management fees or other compensation with respect to such investments, because, by not exposing such buy and sell transactions to market forces, there is a chance that a Fund will not receive the best price otherwise possible. There can be no guarantee that the Fund buying such portfolio company or assets will subsequently make a profit on such investment.

In any such transaction described above, the Advisers intend to (i) act in a manner consistent with their duties to each participating Fund, and (ii) obtain any required approvals of the transaction's terms and conditions, which typically include approval of the applicable Fund's LP advisory committee. Additionally, the Advisers reserve the right to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker paid for by the relevant Fund(s) to opine as to the fairness or "arm's-length" nature of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of the Advisers). Although, where cross transactions arise in the context of automatic or other re-balancing of investments among parallel investing entities, the Advisers generally will not seek a fairness opinion or LP advisory committee consent.

### *Co-Investments*

The Advisers serve as investment managers to certain Co-Invest Funds and Tailored Vehicles that invest alongside the Funds in certain portfolio companies and also are permitted to offer certain investors or other persons the opportunity to co-invest directly in a portfolio company. The Advisers intend that such Co-Invest Funds and Tailored Vehicles invest in the applicable portfolio company at the same time as the Fund making the investment. However, for strategic and other reasons, a Co-Invest Fund or Tailored Vehicles may subsequently purchase a portion of an investment from a Fund after such Fund has consummated its investment in the portfolio company. The Advisers generally aim to complete such co-invest buy-down shortly after the applicable Fund's consummation of the investment to avoid any potential change in valuation of the investment; however, in certain instances if a material period of time has elapsed, the Advisers will make a determination in good faith as to the valuation at which co-investors buy-in. Because the Advisers seeks to consummate any co-invest shortly after the acquisition of the applicable portfolio company, the participants in the co-investment vehicle generally are not charged a carrying fee on the purchase as compensation to the applicable Fund. Such Co-Invest Funds typically dispose of their investments in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. In certain circumstances, a Co-Invest Fund, Tailored Vehicles or other co-investor will evaluate a potential investment alongside a Fund. If the potential investment or co-investment is not consummated, the full amount of any expenses relating to such potential but not consummated investment will typically be borne entirely by the primary Fund or Funds allocated such investment rather than the Co-Invest Fund, Tailored Fund or other co-investor.

Certain affiliates of ECP, third party investors and other persons are permitted at the sole discretion of the Advisers to participate in the Co-Invest Funds or in some cases co-invest directly in a particular portfolio company. Generally, the Advisers will select which investors or other persons are permitted to co-invest based on various factors, including: the sophistication of the investor; the ability of the investor to fund and complete the co-investment on a timely basis; the size of the potential co-investor's commitment to the Funds or the ECP Advised Funds; the investor's expression of interest or right to co-invest granted by such investor's side letter arrangements; the potential co-investor's current relationship with the Advisers (including, historical investment activity in an ECP Advised Fund or the existence of accounts or other vehicles formed); whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of the Advisers, an ECP Advised Fund or other funds or co-investments; a belief that the co-investment opportunity will cultivate a long-term relationship with the co-investor that will be indirectly beneficial to other or future ECP Advised Funds; the overall strategic benefit of offering a co-investment opportunity to the potential co-investor; the investment objectives and existing portfolio of the potential co-investor; the legal or regulatory constraints (including tax constraints) that the proposed investment is expected to raise; the reporting, public relations, competitive, confidentiality or other issues that also arise as a result of the co-investment; and any other reason for including such investor or person determined by the Advisers in their sole discretion. In addition, the Advisers are permitted to grant certain investors (e.g., limited partners with significant capital commitments) the opportunity to evaluate specified amounts of possible co-investments, and the Advisers are permitted to give priority to such investors when allocating potential co-investment opportunities. Specifically, with respect to Fund III, Fund IV and Fund V, the Advisers granted certain third-party investors the opportunity to evaluate specified amounts of possible co-investments in Fund III, Fund IV or Fund V portfolio companies, as applicable, and the Advisers are permitted to give priority to such investors in potential Fund III, Fund IV or Fund V co-investment opportunities, as applicable. Additionally, the Advisers have in the past and expect in the future to grant some investors a right to co-invest in certain portfolio companies, for example, portfolio companies that are headquartered and operate in certain geographic regions or that relate to one or more specific energy sub-sectors. Except for any explicit opportunity granted with respect to co-investments, in general the Advisers have complete and sole discretion to determine to whom co-investment opportunities are offered. The Advisers' exercise of discretion in allocating investment opportunities often will result in disproportionate allocations among investors that have expressed interest in co-investment opportunities, and such allocations will likely be more or less advantageous to some such investors relative to other such investors. Co-Investment opportunities typically will be offered to some and not to other Fund investors.

In circumstances where an entire investment could be made by a Fund, an Adviser is permitted to still allocate a portion of such investment to one or more Co-Invest Funds or other co-investors in accordance with such Fund's partnership agreement and the Advisers' allocation policy if, for example, an Adviser believes in its good faith judgment that the full investment would unreasonably limit the diversification of the applicable Fund or that a particular co-investor would add value to the Fund or the investment.

Investors that participate in co-investments (including service providers, rolling sellers and members of a target's management team), whether directly or through a Co-Invest Fund, may be in a position to obtain additional information regarding the applicable portfolio company that is not expected to generally be available to investors in the Fund. In addition, co-investors' interests

are not always aligned with the Funds' interests and, if third party investors co-invest directly into a portfolio company, the Advisers' ability to control or influence such third parties will likely be more limited than if the co-investors were participating in a vehicle managed by the Advisers. The economic participation of co-investors in an investment opportunity could be substantial and is expected to involve greater risks than an investment in which there are no co-investors.

The Advisers frequently make investments on behalf of the Funds with the expectation that co-investors will participate in the investment. In the event that the Advisers are not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, one or more Funds will consequently hold a greater concentration and have a larger exposure in the related investment opportunity than was intended, which could make such Funds more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by the Fund which is not syndicated to co-investors as anticipated could significantly impact the Fund's overall investment returns.

#### *Side Letters*

As a result of certain side letters, limited partners holding the same Fund interests could have different returns and will receive different information, depending on any arrangements applicable to a given investor's interest. In addition, an Adviser enters into a side letter entitling an investor to be excused or excluded from a particular investment, (i) any election to be excused or excluded by such investor will increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, future investments, and reduce the overall size of a Fund, and/or (ii) a Fund's ability to consummate certain investments may be inhibited. Any co-investment rights granted to a limited partner in a side letter or other similar agreement is expected to result in fewer co-investment opportunities (or reduced or no allocations) being made available to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts.

#### *Personal Trading*

The principals and employees of the Advisers are permitted to carry on personal investment activities for their own account and for family members or others who do not invest in the ECP Advised Funds. The investment advice that such principals and employees give to such persons may differ from advice given to, or securities recommended or bought for, the ECP Advised Funds even though their investment objectives may be the same or similar.

#### *Portfolio Company Representation*

Principals and employees of the Advisers serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that they consider to be in the best interests of such portfolio company and their respective shareholders. In certain circumstances (for example in situations involving bankruptcy or near-insolvency of a portfolio company), actions that may be in the best interests of the portfolio company may not be in the best interests of the ECP Advised Funds, and vice versa. Accordingly, in these situations, there may be conflicts of interests between an individual's duties as an employee of the Advisers and an individual's duties as a director of such portfolio company.

### *Conflicts Related to Other Investments by ECP Advised Funds*

An ECP Advised Fund or Funds occasionally invests in a company that competes with, is a customer of, or a service provider or supplier to a portfolio company of another ECP Advised Fund. In addition, as noted above, principals and employees of the Advisers serve as directors and officers of companies that are competitors of portfolio companies of certain ECP Advised Funds. These circumstances are expected to give rise to certain conflicts of interest. First, another ECP Advised Fund or its portfolio company may take actions for commercial reasons that have adverse consequences for an ECP Advised Fund or its portfolio company, such as seeking to increase market share, withdrawing business in favor of a competitor, or commencing litigation. Secondly, an Adviser or ECP Advised Fund could obtain information while investigating investment opportunities or dealing with existing portfolio companies that it is prohibited from acting on or disclosing to anyone, including another ECP Advised Fund or any portfolio company, as a result of confidentiality requirements or applicable law, regardless of whether acting on or disclosing such information would be in the interest of any ECP Advised Fund or portfolio company.

Additionally, the Advisers and ECP Advised Funds regularly obtain confidential information regarding various target companies and other investment opportunities. Since we do not currently maintain information barriers, we impute confidential information received by one investment team to all other investment professionals. If an Adviser or ECP Advised Fund receives confidential information with respect to a company, the other ECP Advised Funds therefore may face certain restrictions on their ability to pursue a transaction with that company or dispose of an investment. Furthermore, the confidentiality agreements entered into on behalf of the ECP Advised Funds include provisions that prevent the ECP Advised Funds from acquiring or disposing of certain investments, potentially for extended periods (*i.e.*, “standstill” provisions).

The portfolio companies of certain ECP Advised Funds are also counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other ECP Advised Funds that, although the Advisers determine to be consistent with the requirements of such Funds’ governing agreements, may not have otherwise been entered into but for the affiliation with the Advisers.

The Advisers do not have the infrastructure or resources to create or maintain an information barrier between one or more ECP Advised Funds. The Advisers generally operate a restricted list to which ECP Advised Funds are subject. As a consequence, one or more ECP Advised Funds may not be able to buy or sell a particular security because the Advisers may be deemed to be in possession of material, non-public information. Similarly, in such circumstances, an ECP Advised Fund may not be able to dispose of a security owned by an advisory client, even in a declining market, until the information becomes publicly available or no longer material and the security is no longer restricted.

### *Conflicts Related to Allocation of Investment Opportunities*

The objective of the Advisers with respect to allocations of investment opportunities is to ensure that all ECP Advised Funds are treated in a fair and equitable manner under the particular circumstances. Accordingly, the Advisers have established allocation policies and procedures in an effort to ensure that investment opportunities are allocated among advisory clients, including the ECP Advised Funds, in a fair and equitable manner. These policies and procedures seek to



provide consistent treatment, to the extent possible and consistent with legal, regulatory and contractual restrictions, of ECP Funds that have similar investment objectives and guidelines. There can be no assurance that the application of these policies and procedures will result in fair or equivalent allocation of, or participation in, investment opportunities, or comparable performance of investments allocated to one advisory client as compared to another.

The Advisers are presented with investment opportunities that fall within the investment objectives of one or more ECP Advised Funds, and in such circumstances, except as otherwise provided in the governing documents of the applicable ECP Advised Fund, the Advisers will allocate such opportunities (including any related co-investment opportunities) among the ECP Advised Funds (including, without limitation, an allocation of 100% of such an opportunity to a single ECP Advised Fund) on a basis that the Advisers reasonably determine in good faith to be fair and reasonable taking into account all factors the Advisers deems relevant, including the requirements of the governing documents of the applicable ECP Advised Fund, the sourcing of the transaction, the nature of the investment objective, investment focus, mandate or policies, target return profile or projected hold period of each ECP Advised Fund, results of underwriting analyses, including projected returns and target hold period for the investment, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for each such ECP Advised Fund, applicable law and regulatory guidance and other considerations deemed relevant by the Advisers in good faith.

The Advisers are permitted to establish an ECP Advised Fund with investment objectives, mandates and policies that are substantially similar to those of another ECP Advised Fund, but with a focus on investments with a different target return profile or different projected hold period (thereby making them inappropriate for the other ECP Advised Fund). The Advisers are permitted to allocate investment opportunities to such ECP Advised Funds based on the anticipated targeted returns or projected hold periods based solely on the Advisers' expectations at the time such investments are made. However, there can be no assurances that the actual returns from such investments will be in line with such targets or investments will be held from the projected hold period, and such investments may as a result prove to have been suitable for the other ECP Advised Fund.

#### *Conflicts Arising in the Allocation of our Professionals' Time and Attention*

The success of each ECP Advised Fund will depend substantially on our investment professionals' ability to, among other things, source and complete investments, improve the operations and performance of the companies and assets acquired and exit investments at the appropriate time and at attractive valuations. To achieve those ends, our investment professionals will devote such time and resources to each ECP Advised Fund as we determine to be appropriate. Our investment professionals, however, also spend time assisting other ECP Advised Funds with their investment activities and are permitted to work on other matters, including matters external to the business of the Advisers. For example, our investment professionals are permitted to serve on advisory boards or in similar capacities for other companies that the Advisers do not believe compete with the Funds with respect to investment-related matters. Conflicts therefore may arise with respect to the allocation of time and resources of ECP's investment professionals.

Certain principals of the Advisers serve as board members of or organize or sponsor SPACs for the purposes of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses. Although these principals will continue to devote their time and attention to the investment activities of the Funds,

they will have other obligations with respect to the SPACs as board members. In addition, the principals may regularly obtain confidential information regarding various target companies and other investment opportunities which would be imputed to the Advisers. Therefore, if a principal receives confidential information with respect to a company, the ECP Advised Funds could face certain restrictions on their ability to pursue a transaction with that company or dispose of an investment.

#### *Use of Subscription Lines and Other Fund-Level Indebtedness*

The Funds are generally permitted to enter into a subscription line with one or more lenders in order to finance their operations, including the acquisition, financing or refinancing of the Fund's investments, as well as to consolidate or make less frequent capital calls to limited partners, with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of investors, *i.e.*, "subscription lines", or the value of underlying portfolio companies, *i.e.*, "NAV facility", or a combination of both undrawn capital and the value of underlying portfolio companies, *i.e.*, "hybrid facility") prior to calling capital commitments. Such borrowing subjects limited partners to certain risks and costs, as the interest expense and other costs of any such borrowings (for example, any upfront fees, unused commitment fees and the legal expenses relating to such subscription line) will be borne by the relevant Fund and, accordingly, will decrease net returns and total distributable profits of such Fund. However, as such borrowing typically delays the need for limited partners to make contributions to a Fund, in most circumstances such borrowing enhances the relevant Fund's returns calculations and thereby may be deemed to benefit the marketing efforts of the Advisers while increasing the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's management fee calculation, such as during periods where management fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because management fees are incurred whether an investment is financed through capital calls or borrowings, and it is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return (which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Fund), the relevant general partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls, subject to the operating and offering documents of each Fund. Fund-level borrowing involves a number of additional risks such as calling a large amount of capital at once to repay amounts under a subscription line could cause liquidity concerns for investors that would not arise had smaller amounts of capital been called incrementally over time. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls of several Funds at the same time. In addition, because amounts borrowed under a subscription line typically are secured by pledges of the relevant general partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if a Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder.

To the extent a Fund uses its subscription line to make an investment and then subsequently sells down a portion of such investment to one or more co-investors, such co-investors generally will reimburse the Fund for its pro-rata borrowing amount and related interest expense associated with its purchased interest, but such co-investors generally will not reimburse the Fund for any

other expenses associated with the subscription line (including, without limitation, any upfront fees, unused commitment fees and the legal expenses relating to such subscription line).

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant general partner's ability to consent to the transfer of a limited partner's interest in a Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. The general partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, and the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant general partner.

In addition to Fund-level borrowing, and subject to any limitations set forth in the relevant governing documents, a Fund is permitted to act as guarantor in an Adviser's sole discretion, including when the Adviser considers it necessary, appropriate or incidental to the accomplishment of the purposes of the Fund or an individual portfolio company. For example, an Adviser may determine that a Fund guarantee is potentially beneficial for increasing the availability, type or amount of financing for a portfolio company or allowing the portfolio company to negotiate more favorable terms from its lenders or other contractual counterparties. A Fund will also provide a guarantee in the event a portfolio company or its affiliates becomes a "qualified borrower" under Fund's credit facility, which would allow such portfolio company to borrow amounts or issue letters of credit directly under the Fund credit facility as a "qualified borrower". In such "qualified borrower" scenarios, the portfolio company or its affiliates would become an obligor under the Fund's credit facility for amounts borrowed or letters of credit issue and have responsibility for its repayment. However, in the event of default, the lender would have recourse to the Fund under the guarantee without a requirement to first attempt to collect from the portfolio company or such affiliated obligor. To the extent such portfolio company has third-party, management or co-investors in its structure, the ECP Advised Funds will provide such qualified borrowing guarantee without compensation but is expected to enter into one or more agreements that provide each applicable ECP Advised Fund with a right of contribution or reimbursement from such third-party, management or co-investors in the event such portfolio company defaults on its qualified borrowing. It is possible that one of the other such parties or ECP Advised Funds could default on its obligation to reimburse the paying ECP Advised Fund or otherwise have insufficient assets to honor such reimbursement obligation. In such an event, the ECP Advised Fund that has provided the guarantee and its parallel vehicles could bear more than a pro-rata share of such obligations.

#### *Diverse Membership*

The investors in an ECP Advised Fund will be subject to different legal, tax, and regulatory regimes. For example, investors generally will include taxable and tax-exempt entities and will be organized in various jurisdictions. The nature and diversification of the ECP Advised Funds' investments, as well as the manner in which such ECP Advised Funds make, structure, hold and exit such investments may therefore lead to a more favorable legal, tax or regulatory outcome for

some investors. In selecting investments appropriate for an ECP Advised Fund, the Advisers will consider the investment objectives of the investing Funds as a whole, not the investment objectives of any of the Funds' investors individually. To the extent that the Advisers are able to structure certain investments based in part of the investors' respective legal, tax and regulatory constraints, we will not take into account such interests as they relate to each individual investor.

#### *Conflicts Related to the Interpretation of Governing Documents and Other Legal Requirements*

The offering, governing and related documents of each ECP Advised Fund are detailed agreements that establish complex arrangements among the Advisers, the limited partners, the ECP Advised Funds, the general partners of such ECP Advised Funds and other entities and individuals. Questions will arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the agreements may have no directly applicable provisions or the applicable provisions may be broad, general, ambiguous or conflicting, and may permit more than one reasonable interpretation. While the Advisers will construe the relevant agreements in good faith and in a manner consistent with their legal obligations, the interpretations adopted will not necessarily be, and need not be, the interpretations that are most favorable to the ECP Advised Funds or their investors.

#### *Conflicts Related to the Provision of Certain Information*

The operating documents of certain ECP Advised Funds generally permit the Advisers to withhold information from certain investors in such ECP Advised Funds in certain circumstances. For example, information may at times be withheld from limited partners that are subject to the Freedom of Information Act or similar requirements. The Advisers will also elect to withhold certain information for reasons relating to overall business strategy, despite the potential benefits to limited partners of receiving such information.

Additionally, due in part to the fact that actual and/or potential investors in a Fund often ask different questions and request different information, the Advisers have in the past and expect in the future to provide certain information to one or more actual and/or prospective investors that is not necessarily provided to all prospective investors or limited partners in a Fund.

#### *Conflicts Related to the Engagement of Certain Service Providers*

The Advisers and their affiliates engage in business with certain service providers, including, for example, investment banks, outside legal counsel and insurance providers, who are investors in an ECP Advised Fund and/or who provide services to the Advisers, the ECP Advised Funds, portfolio companies of the ECP Advised Funds or businesses that are competitors of the Advisers. Such engagement may be concurrent with a service provider's admission to an ECP Advised Fund as a limited partner or during the term of such service provider's investment in an ECP Advised Fund. The Advisers may have conflicts of interest with the ECP Advised Funds or their portfolio companies in recommending the retention or continuation of a service provider to an ECP Advised Fund or portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in an ECP Advised Fund or will provide the Advisers information about markets and industries in which Advisers operate. In these instances, the Advisers use reasonable efforts to mitigate such conflicts and use good faith efforts to negotiate market terms for such law firm and service providers' services.

### *Possible Future Activities*

The Advisers and their affiliates will expand the range of services that they provide over time. Except as provided herein and in an ECP Advised Fund's private placement memorandum or partnership agreement, the Advisers and their affiliates will not be restricted in the scope of their business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether such conflicts are described herein.

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## **ITEM 12      BROKERAGE PRACTICES**

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Because the Advisers primarily render advice to private equity funds, and investments are made on a negotiated basis, opportunities for trade executions only occur on an occasional basis. On those occasions that the Advisers engage in public securities transactions, to the extent they do so, they follow the "best execution" brokerage practices described below.

Except as noted below, if the Advisers buy or sell publicly traded securities on behalf of an ECP Advised Fund, the applicable Adviser is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by such Adviser. In selecting a broker to execute client transactions, an Adviser is permitted to consider a variety of factors in seeking to obtain best execution, including, among other things: (i) execution capabilities with respect to the relevant type of order; (ii) confidentiality considerations; (iii) commissions charged; (iv) the reputation of the firm being considered; (v) responsiveness to requests for trade data and other financial information; and (vi) the Adviser's overall relationship with the broker-dealer, including past transaction experiences. In the event an ECP Advised Fund buys securities in a PIPE Investment, the Adviser generally does not have the opportunity to select the broker-dealer, who generally is engaged by the issuer of such PIPE securities.

No Adviser has any duty or obligation to seek 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 each 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 Advisers seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although the Advisers generally do not make use of such services at the current time and have not made use of such services since their inception.

In the Advisers' private company securities transactions on behalf of the ECP Advised Funds, the Advisers have retained and in the future will retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant ECP Advised Funds and/or their portfolio companies. In doing so, the Advisers are permitted to 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, (iv) responsiveness to requests for information, and (v) the Adviser's overall relationship with the broker-dealer, including past transaction experiences. As a result, although the Advisers generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the ECP Advised Funds may not necessarily select the broker-dealer or investment bank that charges the lowest commission or fee or such services.

### ***ITEM 13***      **REVIEW OF ACCOUNTS**

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The Advisers closely monitor the ECP Advised Funds' portfolio investments. ECP principals serve on the investment committee of the Advisers and work closely with other ECP professionals to oversee (where an ECP Advised Fund has a controlling interest) and monitor the operations, financial performance and strategic direction of each portfolio investment. The investment committee as a whole performs comprehensive quarterly reviews. A subset of the investment committee, together with other ECP professionals, comprise the Advisers' valuation committee that reviews and approves the quarterly valuation of each portfolio investment.

The Funds provide the following information to their investors: (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner's tax return and (iii) quarterly reports providing a narrative summary of the status of each investment. Investors in Co-Invest Funds generally receive similar information, including annual GAAP audited financial statements. In addition to the information provided to all investors, the Advisers provide certain investors with additional information or more frequent reports that other investors will not receive.

### ***ITEM 14***      **CLIENT REFERRALS AND OTHER COMPENSATION**

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As described in more detail above in Item 5 "*Fees and Compensation*," in addition to management fees payable and carried interest allocable to the Advisers and their affiliates, the Advisers and their affiliates receive certain fees from the Funds' portfolio companies (*e.g.*, break-up fees, director's fees, monitoring fees and transaction fees) with respect to advisory and related services provided in connection with investments by the Funds, which fees are subject to the management fee offsets also described above.

The Advisers have entered into and may in future enter into placement arrangements pursuant to which they compensate third parties for referrals that result in a potential investor becoming a limited partner in an ECP Advised Fund. With respect to Fund V, Fund IV, Credit Solutions II and ECP ETO, any fees and expenses payable to any such placement agents will be borne by the Advisers, either directly or indirectly through a dollar-for-dollar offset against the management fee as described in Item 5 "*Fees and Compensation*," above. With respect to the TG Growth Fund, fees and expenses payable to any such placement agents relating to the capital raise of such Fund will be borne by the limited partners in such Fund. Such placement arrangements may be a flat fee or based on a percentage of commitments to a particular ECP Advised Fund.

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**ITEM 15 CUSTODY**

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The Advisers use a qualified, unaffiliated third-party custodian to hold the ECP Advised Funds' funds and, to the extent required pursuant to the Advisers Act and SEC guidance, securities. Although ECP Management is deemed to have custody of the underlying assets of many of the ECP Advised Funds, the Advisers rely on the "pooled investment vehicles" exemption from the reporting, but are permitted to also consider use of surprise audit obligations imposed by the SEC's custody rule. Accordingly, the ECP Advised Funds are generally subject to a year-end audit by a major accounting firm that is a member of, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are then provided to the underlying investors of Funds within 120 days of the end of the fiscal year.

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**ITEM 16 INVESTMENT DISCRETION**

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The Advisers generally have discretionary authority to manage investments on behalf of each Fund pursuant to the respective partnership and management agreements. The Advisers assume this discretionary authority pursuant to the terms of the applicable partnership agreements, management agreements and powers of attorney executed by the limited partners of the Funds.

As a general policy, other than in a Tailored Vehicle, the Advisers do not allow clients to place limitations on this authority. Pursuant to the terms of the applicable partnership agreement and as previously described, however, the Advisers have, and in the future expect to enter into side letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, to provide for reduced fees or the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. With respect to certain Funds, the Advisers have, and in the future expect to enter into side letters that place investment restrictions on such Funds, although the Advisers do not believe such restrictions materially alter such Fund's overall expected investment strategy.

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**ITEM 17 VOTING CLIENT SECURITIES**

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The Advisers have adopted Proxy Voting Policies and Procedures (the "Proxy Policy") to address how they vote proxies for any ECP Advised Fund's portfolio investments. The Proxy Policy seeks to ensure that the Advisers vote proxies in the best interest of the ECP Advised Funds, including where there may be material conflicts of interest. The Advisers believe their interests are aligned with those of the ECP Advised Funds' investors through the Advisers' and their principals' substantial capital commitment to the Funds, and therefore will not seek investor approval or direction when voting proxies. However, the Proxy Policy sets forth certain specific proxy voting guidelines for when the Advisers do vote proxies on behalf of an ECP Advised Fund.

The Advisers do not consider service on portfolio company boards by ECP personnel or their receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In the event that there is a conflict of

interest between an Adviser and an ECP Advised Fund in voting proxies, the Proxy Policy provides that the applicable Adviser addresses the conflict using certain procedures, including by seeking the approval or concurrence of the ECP Advised Fund's limited partner advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy.

A copy of the Advisers' Proxy Policy and, if applicable, information regarding how the Advisers voted proxies for particular portfolio companies will be provided to any client, prospective client or any investor in an ECP Advised Fund upon request to Jennifer Gray, ECP's Chief Compliance Officer, at [compliance@ecpgp.com](mailto:compliance@ecpgp.com).

## ***ITEM 18***      **FINANCIAL INFORMATION**

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None of the Advisers requires prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure. None of the Advisers has been the subject of any bankruptcy petition.