

**Part 2A of Form ADV: Firm Brochure**

**Item 1 Cover Page**

# **POWER SUSTAINABLE MANAGER US, INC.**

## **BROCHURE**

March 29, 2024

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*This brochure provides information about the qualifications and business practices of Power Sustainable Manager US, Inc. ("Power Sustainable US") and its relying adviser(s). If you have any questions about the contents of this brochure, please contact us by telephone at (514) 286-8989 or by email at [Compliance@powersustainable.com](mailto:Compliance@powersustainable.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.*

*Additional information about Power Sustainable US and its relying adviser(s) also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Registration with the SEC does not imply that Power Sustainable US and / or its relying adviser(s) has achieved a certain level of skill or training.*

## **Item 2 Material Changes**

The following material changes were made to this Brochure since our last Brochure was filed on September 22, 2023:

- In Item 4, we have provided our updated assets under management as of December 31, 2023.

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#### Item 4 Advisory Business

Power Sustainable Manager US, Inc., a Delaware corporation (“**Power Sustainable US**” or the “**Filing Adviser**”), is a boutique asset management firm organized in 2022 that provides investment advisory services to clients. The types of services provided by Power Sustainable US may change, and this Brochure will be amended accordingly to reflect any additional services.

Power Sustainable Infrastructure Credit Manager, L.P. (“**PSIC**” or the “**Relying Adviser**”) is a Delaware limited partnership and a wholly-owned indirect subsidiary of the Filing Adviser. Each of the Filing Adviser and Relying Adviser are direct or indirectly wholly-owned subsidiaries of Power Sustainable Manager Inc. (“**PSM**”), which, in turn, is a wholly-owned subsidiary of Power Sustainable Capital Inc. (“**PSC**”) and, ultimately, Power Corporation of Canada (“**PCC**”), which is a public company traded on the Toronto Stock Exchange. The Filing Adviser and the Relying Adviser are referred to herein as “**we**” or “**Power Sustainable**”.

We provide discretionary investment advisory services to:

- institutional clients, which may include U.S. state, local and other pension plans or financial institutions on a separately managed account basis as further detailed in Item 7 herein (“**Separately Managed Accounts**”);
- certain pooled investment vehicles organized outside of the United States offered to non-U.S. persons (“**Offshore Funds**”); and
- privately offered investment vehicles offered to U.S. persons that are exempt from registration under the U.S. Investment Company Act of 1940, as amended, and whose securities are not registered under the U.S. Securities Act of 1933, as amended (each a “**Fund**” and together with the Offshore Funds, the “**Funds**” and together with Separately Managed Accounts, “**Clients**”).

Power Sustainable may manage Client accounts that are employee benefit plans, such as corporate pension, profit sharing and money purchase pension plans, subject to the fiduciary responsibility provisions of Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) and other plans, such as IRAs and Keogh plans, that are subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (“**Internal Revenue Code**”) (collectively, “**Plans**”) on a Separately Managed Account basis or through a Fund.

When Power Sustainable manages assets of Plans, Power Sustainable shall be subject to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Internal Revenue Code, which provisions, among other things, might affect the manner in which Power Sustainable may be compensated by such accounts and its ability to enter into certain kinds of transactions, such as cross-transactions and certain transactions with, or for the benefit of, Power Sustainable or its affiliates. Further, with respect to Plans that are subject to ERISA, Power Sustainable shall also be subject to certain fiduciary, reporting, disclosure and bonding obligations under ERISA as well as requirements relating to maintenance of the indicia of ownership of Plan assets. To the extent that Power Sustainable manages any such Plan accounts, Power Sustainable intends to comply with all applicable provisions of ERISA and the Internal Revenue Code.

Our investment strategy focuses on investments in infrastructure credit investments and other infrastructure related assets, with a focus on the Americas.

PSIC currently provides investment advice to the Power Sustainable Infrastructure Credit Fund I (“**Fund I**”). Fund I is comprised of multiple investment vehicles that invest in parallel with each other and which are managed together as a single portfolio. Power Sustainable may in the future advise other Funds in addition to Fund I.

As investment adviser to Separately Managed Accounts and the Funds, we identify investment opportunities and participate in the sourcing, investigating, structuring, and negotiating of potential investments, monitoring investments post-acquisition, advising with respect to disposition opportunities and providing day-to-day managerial and administrative services. We provide these investment advisory services to Separately Managed

Accounts and the Funds pursuant to advisory agreements (the “**Advisory Agreements**”). The terms of the investment advisory services to be provided by us to Clients, including any specific investment guidelines or restrictions, are set forth in the Advisory Agreements and, with respect to the Funds, in the relevant limited partnership agreements and governing documents for each Fund (collectively, the “**Fund Governing Documents**”).

We do not tailor our investment advisory services to the needs of individual investors in the Funds. In accordance with common industry practice, however, a Fund or its general partner may from time to time enter into a “side letter” or similar agreement with an investor pursuant to which the Fund or its general partner grants the investor specific rights, altering or supplementing terms of the Fund Governing Documents, including reducing or waiving distribution of carried interest or payment of the management fee in respect of any such investor, as well as other benefits or privileges that are not generally made available to all investors (as further set forth in the relevant Fund Governing Documents). The other investors in a Fund will have no recourse against the applicable Fund or any of its affiliates in the event that certain investors receive additional or different rights or terms as a result of such side letters. See “Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss” for additional details.

As of December 31, 2023, Power Sustainable had approximately \$600 million of assets under management (“AUM”) on a discretionary basis. For the purposes of calculating our AUM, we included capital committed by investors.

## **Item 5 Fees and Compensation**

We are compensated for our investment advisory services with respect to Separately Managed Accounts through a combination of a management fee and/or a performance fee and with respect to a Fund by a management fee, a performance fee or through carried interest distributions from a Fund to a supervised person of Power Sustainable.

We can negotiate fees for services with a Client (or, in some cases, an investor) on an individual basis, including alternative fee arrangements, rather than basing our fees on a general fee schedule. When we negotiate fees, we can take into consideration, among other things, the investment mandate, total market value, regulatory requirements, reporting requirements, customization of the investment or reporting process or other special considerations relevant to a particular Client account (“**Account**”). Similarly, in appropriate circumstances, we can waive or reduce all or a portion of the fees we charge to a particular Client or investor in our sole and absolute discretion. For example, we can waive or reduce fees for Accounts held by or on behalf of Power Sustainable US and its employees, principals, shareholders or affiliates. Also, PSIC or an affiliate could, in its sole discretion, agree to bear certain operating expenses of a Fund that exceed a cap agreed with the Fund investors generally or applicable to the Fund as a whole.

Payment schedules and mechanisms for Separately Managed Accounts are negotiated, and these Clients are invoiced in accordance with such Account’s Advisory Agreement. Fees are generally paid in arrears and are ordinarily based on the amount of invested capital within the relevant Separately Managed Account(s), including allocations to cash, on the appropriate valuation day.

With respect to the Funds, we negotiate the management fee rate with the investors at the time each Fund is established. Management fees are payable quarterly in advance of the services rendered. If the Advisory Agreement is terminated before the end of the applicable period, management fees will be charged on a *pro rata* basis through the date of termination, and any fees paid in advance but not earned will be refunded. In addition to management fees, some of Power Sustainable’s supervised persons, through general partner carry vehicles, may receive carried interest distributions from a Fund, which are based on a share of net profits of a Fund . See “Item 6 – Performance-Based Fees and Side-by-Side Management” below.

In general, each Fund is responsible for all costs and expenses relating to its operations, which are further set out in the relevant Fund Governing Documents for each Fund, including but not limited to: all fees, costs and expenses directly related to the purchase and sale of investments; principal, interest, fees, expenses and other amounts payable in respect of financings; custody fees and costs of other third party services; legal, accounting, and other professional costs including those provided by employees of Power Sustainable; any insurance, indemnity or litigation expenses; all costs of the Fund’s administration, including preparation of its financial statements and reports to limited partners, costs of meetings of partners, expenses relating to the Fund’s limited partner advisory committee (“**Limited Partner Advisory Committee**”), if any, and any taxes, fees or other governmental charges levied against the Fund.

In general, we are not compensated for our investment advisory services to the co-investment vehicles. We may, however, receive a management fee based on a percentage of actively invested capital, carried interest distributions based on a share of net profits, and/or administrative fees for certain co-investment vehicles.

In addition, each Fund is responsible for its share of out-of-pocket costs and expenses in connection with prospective investments that are not consummated. Each Fund is also responsible for all costs and expenses incurred in connection with the organization of the Fund (including any subsidiary pooling vehicles), the general partner of the Fund, and Power Sustainable carry partners, if any, including legal and accounting fees, printing costs, reasonable travel and out-of-pocket expenses, and all costs and expenses incurred in connection with the offering of interests in the Fund (but excluding any placement fees).

Power Sustainable faces a variety of potential conflicts of interest when it determines allocations of various fees and expenses to and among the Funds. For example, from time to time, a Fund’s general partner will be required to decide whether costs and expenses are to be borne by the Fund, on the one hand, or Power Sustainable, on the

other, and/or how certain costs and expenses should be allocated between one Fund, on the one hand, and any other Funds.

In addition, there may be circumstances when Power Sustainable has considered a potential investment in a portfolio company on behalf of a Fund or Separately Managed Account and has determined not to make such investment and an investment is eventually made in such portfolio company by another Fund or Separately Managed Account. In these circumstances, the later Client may benefit from research by Power Sustainable's investment team and/or from costs borne by the earlier Fund and Separately Managed Account Client in pursuing the potential portfolio investment, but the later Client will not be required to reimburse the earlier Client (e.g., a Fund) for expenses incurred in connection with such investment as described above. It is also possible that Power Sustainable may consider an opportunity for a Client that is not pursued and an investment is later made in such portfolio company by another Client (e.g., a Fund). In those circumstances, the later Client could benefit from Power Sustainable's diligence and/or from costs borne by such earlier Client and may be required to reimburse the earlier Client (e.g., a Fund). Power Sustainable will make such judgments regarding appropriate allocation notwithstanding its interest in the outcome, including in accordance with a Fund's relevant Fund Governing Documents. Conflicts of interest may arise in allocating any such fees and expenses between Power Sustainable and one or more Funds.

Detailed information regarding the expenses to which each Fund is subject is set out in the Fund Governing Documents for a particular Fund.

With respect to Fund I, Fund I shall bear its own organization and operating and other expenses, including but not limited to costs, expenses and liabilities incurred in connection with the Fund's affairs, excluding PSIC expenses, but including all costs, expenses and liabilities otherwise incurred by the Fund, the Fund's general partner, PSIC or any of its affiliates, including: (i) a management fee; (ii) all fees, costs and expenses of the administration of the Fund, including legal, auditing, investment banking, appraisal, valuation (including the fees and expenses of any independent appraisal or valuation services or third party vendor price quotations), consulting, engineering, custody, administration (including fees, costs and expenses of any third-party fund administrator), tax (including compliance with transfer pricing requirements, compliance with any applicable tax information regimes and other tax, regulatory and administrative compliance), accounting (including costs of preparing, reporting and providing information to existing and prospective investors on Fund or portfolio company-related matters, including the preparation and dispatch to the investors of distributions, financial reports, U.S. Internal Revenue Service Schedules K-1 (and any similar or equivalent tax reports) and notices required pursuant to Fund Governing Documents and other Fund-related reporting obligations and the maintenance of the books and records of the Fund), depository, safekeeping and other professional fees, costs, expenses, retainers or other payments; (iii) all fees, costs and expenses associated with Fund-related reporting obligations and any Fund-related statements, notices, any Freedom of Information Act or Open Records statute (or similar) responses or other communications, including all internal and third-party printing (including a flat service fee), publishing (including time spent performing such printing and publishing services) and reporting-related expenses in respect of the Fund and its activities; (iv) all fees, costs and expenses of meetings of investor advisory committees, if any, including, for the avoidance of doubt, travel, meals, accommodations, entertainment and other similar expenses in connection with any meetings of such committee and the fees, expenses and costs of any legal counsel or other professionals retained by, or at the direction or for the benefit of, the such committee and of investors (including travel, meals, accommodations, entertainment and other similar expenses but excluding meetings with investors solely for purposes of marketing the Fund or any successor Fund) and any expenses incurred in connection with due diligence visits by the Fund's general partner to service providers (including fund administrators that perform anti-money laundering or "know your customer" diligence in connection with the onboarding and ongoing participation of investors in the Fund), visits by PSIC and its affiliates to any investor or visits by any investor to any portfolio companies (including travel, meals, accommodations, entertainment and other similar expenses); (v) all fees, costs, expenses and liabilities associated with the discovery, sourcing, evaluation, diligence, financial analysis, negotiation, structuring, acquisition, holding, construction, development, redevelopment, improvement, management, monitoring, refinancing and disposition of investments or prospective investments and investment strategies, including (A) legal, accounting, consulting, investment banking and other professional costs, including those provided by affiliates of the Fund's general partner; (B) any meetings or travel (including chartered or first class travel and other related air travel administrative fees and expenses, provided that any such chartered air travel will only be charged as a Fund expense (otherwise

the first-class air travel equivalent cost will be charged) if such chartered air travel is used when commercial air travel is not practically feasible or safe under the circumstances (as determined by PSIC)), accommodation, meal and entertainment costs and expenses related to such investments or prospective investments, and any expenses related to attending trade association or industry meetings, conferences or similar meetings; (C) private placement fees, syndication fees, bank charges, depositary fees, fees and expenses related to environmental and engineering evaluation, closing and execution costs, fees and expenses of consultants, sales commissions, finder's fees, appraisal fees, taxes, underwriting commissions and discounts, brokerage fees, loan administration and servicing fees and costs of information services (including an allocable share of information subscription service fees); (D) custody fees and costs of other third-party services (including those provided by affiliates of the Fund's general partner or PSIC); (E) fees, costs and expenses associated with environmental, property management, engineering, construction and related services; (F) fees, costs and expenses associated with financing, refinancing, pledging or disposition of or proposed financing, refinancing, pledging or disposition of all or any portion of investments; and (G) fees, costs and expenses (including any expenses similar to those described in this paragraph) related to structuring and maintaining investment vehicles, including the organization and operation of any alternative investment vehicle, intermediate entity or blocker corporation; (vi) all expenses of indemnification (including any contractual obligations of the Fund, and advancement of any fees, costs or expenses to persons entitled to indemnification), whether payable under the Fund Governing Documents or any other agreement or obligation permitted to be entered into by the Fund Governing Documents and whether payable in connection with any litigation, arbitration, government inquiry, audit, investigation or proceeding involving the Fund, any investment, any portfolio company, any indemnified person, any affiliate of any of the foregoing or any officer, director, stockholder, manager, partner, member, employee, personnel, independent contractor, service provider, representative or agent of any of the foregoing (subject to certain limitations set forth herein), and all costs, including the cost of premiums, of acquiring and maintaining insurance policies (including directors and officers, liability, representations and warranties, title, cyber-security or other insurance policies (it being understood that the exclusions from coverage under any such policies may not be the same as the exclusions from indemnification under the Fund Governing Documents and that such policies may cover liabilities in respect of any breach or alleged breach of fiduciary or similar duties)); (vii) all principal, interest, fees, costs, expenses and other amounts payable in respect of or in connection with borrowings, guarantees and other financings or derivative transactions contemplated by the Fund Governing Documents (including related legal expenses) made or entered into by the Fund or other obligors thereunder, including the arranging thereof and related legal expenses, all fees, costs and expenses of any loan servicers and other service providers and of any custodians, lenders, investment banks and other financing sources and all fees, costs and expenses related to any financing, hedging, swaps (or other derivatives) ratings, securitization or capitalization; (viii) broken deal expenses; (ix) all fees, costs and expenses incurred in connection with the liquidation, winding up and dissolution of the Fund; (x) all fees, costs and expenses incurred in connection with any restructuring or amendments to the constituent documents of the Fund; (xi) all fees, costs and expenses related to licensing, development, purchasing, programming and operation of computer software; (xii) all fees, costs and expenses associated with the Fund's information obtaining and maintaining technology (including the costs of any professional service providers), hardware/software, data-related services, communication, market data and research (including news and quotation equipment and services) including costs of research groups (which are generally allocated among applicable Fund vehicles based on time spent, assets under management, usage rates, proportionate holdings, or a combination thereof) and expenses and fees (including compensation costs) charged or specifically attributed or allocated by PSIC or its affiliates for data-related services provided to the Fund or its portfolio companies (including in connection with prospective investments), each including internal expenses, charges, fees or related costs; provided, that any such internal expenses, charges or related costs are believed by PSIC to be commercially reasonable; (xiii) all fees, costs and expenses incurred in connection with the collection of amounts due to the Fund from any person, including all fees, costs and expenses relating to default by investors; (xiv) all fees, costs and expenses incurred in connection with investor-related services and administering and complying with side letters entered into with investors, including the process of considering elections made pursuant to "most-favored nation" or similar provisions in side letters, compiling compendiums of side letter provisions, tracking and implementing applicability in accordance with "most favored nations" or similar provisions and preparing Fund-compliance checklists or operations manuals; (xv) all fees, costs and expenses related to regulation, litigation, arbitration, government inquiries, audits, investigations or proceedings, in each case related to the Fund or its investments, and the amount of any judgments, assessments, fines, remediations or settlements paid in connection therewith and any extraordinary expense or liability relating to the affairs of the Fund; (xvi) all fees, costs and expenses relating in any way to complying with any and all

applicable laws, orders and regulations, including regulatory and other expenses of the Fund's general partner and PSIC related to the preparation and filing of Form PF, reports with the Commodity Futures Trading Commission, filings required under the U.S. Exchange Act of 1934, as amended, reports under the U.S. Commodity Exchange Act of 1936, as amended, and other similar regulatory filings and reporting; (xvii) all ongoing fees, costs and expenses incurred in connection with the Fund's compliance, reporting or related filings, including the fees and expenses of any service provider (including expenses and costs related to ongoing appointments or changes of any depositary appointed pursuant to the applicable law), costs and expenses related to ongoing appointments or changes of the Swiss ombudsman, any required representative and paying agent, and fees, costs and expenses of locally licensed intermediaries or distributors that the Fund is required to engage in order to offer interests in the Fund in particular jurisdictions outside of the United States; (xviii) for each of clauses (xvi) through (xvii) above all expenses related to similar regulations and administrative requirements in other jurisdictions and compliance with and filings under other applicable laws, rules and regulations; (xix) all taxes, fees, duties, registration expenses or other governmental charges directly or indirectly levied or imposed on or incurred by the Fund or any intermediate entity or blocker corporation and all fees, costs and expenses incurred on account thereof not reimbursed by or treated as a distribution to investors of a Fund, and all expenses incurred in connection with the registration, qualification or exemption of the Fund under any applicable laws, all fees and expenses incurred or paid by the "partnership representative" or the designated individual or any person acting in a similar capacity under applicable rules and regulations; (xx) all fees, costs and expenses related to the establishment, organization or maintenance of any intermediate entity, blocker corporation, any other subsidiary investment vehicle, holding company, local office or other arrangement utilized in connection with the acquisition, holding or disposition of any investment or otherwise facilitating the Fund's investment activities, including any travel and accommodation expenses related to such entity, office or other arrangement, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, office or other arrangement, or other overhead expenses in connection therewith (including any fees, costs and expenses associated with the leasing of office space); (xxi) co-investment expenses; (xxii) fees, costs and expenses related to a transfer of an interest in the Fund (and admission of a substitute investor) or a permitted withdrawal of a Fund investor (but only to the extent not paid or otherwise borne by the transferring investor or the assignee or the withdrawing investor, as applicable and as determined by a Fund's general partner in its sole discretion); (xxiii) all fees, costs and expenses incurred in connection with establishing, implementing, monitoring or measuring the impact of environmental, social and governance ("ESG") policies and programs with respect to the Fund or its investments or prospective investments, including all fees, costs, and expenses incurred in connection with ESG tracking tools, climate risk assessments and any other assessments, measurements, advice or reports conducted as part of implementing, monitoring and maintaining a Fund's general partner's responsible infrastructure investing strategy and its ESG policies and procedures with respect to the Fund or its investments or prospective investments or otherwise designed to promote or evaluate the Fund's or its investments' or prospective investments' achievement of ESG objectives, including the United Nations Sustainable Development Goals; (xxiv) amounts to be contributed or advanced to any alternative investment vehicle or Fund asset for the purpose of such entity or investment paying any cost of the type described as organizational expenses or the foregoing clauses (i) through (xxiii); (xxv) any placement fees or reimbursement for expenses payable to any placement agents or finders (other than locally licensed intermediaries or distributors that the Fund is required to engage in order to offer interests in the Fund in particular jurisdictions outside of the United States), which will offset a Fund's management fee as described in a Fund's offering documents; (xxvi) all fees, costs and expenses relating to short-term investments, including the fees, costs and expenses described in clauses (ii) or (v) above; and (xxvii) any taxes on any items described in the foregoing clauses (i) through (xxvi).

Expenses which are attributable to multiple series or Funds will be allocated on a pro-rated basis based on the weighting of each individual series or Fund and passed on to investors on a pro rata basis of their ownership in the relevant series or Fund. Power Sustainable may, in its sole discretion, implement a fee cap in order to limit the amount of expenses charged to a particular series or fund. In these instances, Power Sustainable bears any fees and expenses which exceed the fee cap. Please see Item 12: Brokerage Practices for more details on our trading practices and costs related thereto.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

Power Sustainable manages various Accounts having different fee arrangements, and may include circumstances where some Accounts pay only management fees while other Accounts are subject to both management fees and incentive or performance-based fees.

For U.S. based Accounts, any incentive or performance-based compensation will be charged in compliance with Rule 205-3 under U.S. Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) unless that rule is inapplicable by reason of Section 205(b) of the Advisers Act or related rules or interpretations of the SEC and the SEC Staff.

PSIC-affiliated general partner carry vehicles receive carried interest distributions from a Fund and certain of our co-investment vehicles, which are based on a share of net profits of such Fund or such co-investment vehicles. The amounts of such distributions are set forth in these vehicles’ respective Fund Governing Documents. Such carried interest distributions may create an incentive for Power Sustainable and its supervised persons to make investments on behalf of a Fund or such co-investment vehicles that may be riskier or more speculative than would be the case in the absence of such distributions.

In addition, to the extent we may be managing more than one Fund that is actively investing at any given time and to the extent those Funds have carried interest provisions that vary from one another, we would have an incentive in allocating investment opportunities to favor Funds with a potential for higher performance-based compensation over Funds with lower or no performance- based compensation. To address this conflict, Power Sustainable has adopted policies and procedures that are designed to ensure that, over time, all of our Clients are treated in a fair and equitable manner with respect to the allocation of investment opportunities. Please refer to “Item 12 – Brokerage Practices” below for further details.

## **Item 7 Types of Clients**

Power Sustainable provides investment advice through Separately Managed Accounts to institutional investors, including:

- pension and profit sharing plans;
- government-sponsored asset pools;
- family offices;
- charitable organizations;
- sovereign wealth funds;
- insurance companies;
- corporations or business entities other than those listed above; and
- religious organizations, unions, trusts, medical associations, and family investment vehicles.

Power Sustainable also provides investment advice to one or more Funds. Power Sustainable does not offer services to natural persons or legal representatives of natural persons who seek to receive services primarily for personal, family or household purposes.

This Brochure may be provided to current or prospective investors in a Fund, which together with the Fund Governing Documents, prior to or in connection with such person's consideration or execution of an investment in the Funds. This Brochure will also be provided to Separately Managed Account Clients prior to execution of any Advisory Agreement for such Client.

Investors and other recipients should be aware that while the Brochure may include information about the Funds, as necessary or appropriate, it should not be considered to represent a complete discussion of the features, risks or conflicts associated with the Funds. More complete information about the Funds are included in the Fund Governing Documents, which may only be provided to current and eligible prospective investors. The Funds or their interests or shares are not registered with the SEC under the U.S. Investment Company Act of 1940, as amended, and the U.S. Securities Act of 1933, as amended.

A Fund may have a specified minimum investment set forth in the contractual documents or Fund Governing Documents. Such a minimum is typically subject to the discretion, on the part of Power Sustainable, to permit investment of a smaller amount generally with respect to any investor.

**In no event should this Brochure be considered to be an offer of interests in a Fund or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.**

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

The following is a description of the investment strategy we use for our Clients and the *material* risks involved in that strategy.

The investment objective of the investment strategy currently offered by Power Sustainable is to seek to achieve long-term capital appreciation and current income by making credit and credit-related investments (including preferred stock, warrants, and other convertible instruments) in infrastructure and infrastructure-related assets (including social infrastructure) located globally. This strategy focuses on leveraging the expertise of Power Sustainable expertise to create compelling value proposals that facilitate the transition to a more sustainable future.

Our investment strategy is to deliver attractive risk-adjusted returns through a differentiated global investment strategy based on the twin elements of value creation and downside mitigation through active regulatory and policy risk monitoring and pro-active management. Our focused investment approach is based on regional and sector-specific strategies developed through assessment of the most competitively advantaged infrastructure sectors and subsectors in each region. We target investments with attractive yield generation, explicit or strong implicit protections against inflation, modest leverage, and acceptable levels of policy and regulatory risk.

Power Sustainable's investment strategy is generally not intended to provide a complete investment program for a Client or investor. Clients are responsible for appropriately diversifying their assets to guard against the risk of loss.

The risks associated with this strategy are defined further below.

**Valuation Matters.** The valuation methodologies used to value any investment for an Account will involve subjective judgments and projections and such subjective judgments and projections could not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. It could be the case that the carrying value of an investment does not reflect the value at which the investment is ultimately realized in the market, and the difference between carrying value and the ultimate realization value could be material. There will be no retroactive adjustment in the valuation of any investment or the Fund management fees, carried interest or other fees paid to PSIC or a carry partner to the extent any valuation proves to not accurately reflect the realizable value of an investment. The valuation of investments could affect the amount and timing of the Fund's carry partner's carried interest and, under certain circumstances, the amount of the Fund management fees payable to PSIC. There could be circumstances where a Fund's general partner is incentivized to determine valuations that are higher than the actual fair value of investments. The ultimate realization of the value of an investment will also depend on economic, market and other conditions beyond a Fund's general partner's control. In addition, because there is significant uncertainty as to the valuation of illiquid investments, the values of such investments could not necessarily reflect the values that could actually be realized. Under certain conditions, an Account (including a Fund) could be forced to realize investments at lower valuations than it had expected to realize, or defer – potentially for a considerable period of time – realizations that it had planned to make.

**No Assurance of Investment Return.** Power Sustainable cannot provide assurance that it will be able to choose, make and realize any particular investments or otherwise implement an Account's investment strategy. Moreover, there can be no assurance that the investments made by an Account will be able to generate expected or targeted returns or that the returns will be commensurate with the risks of investing in the types of companies, assets, projects or businesses and transactions described herein. There can be no assurance that any Client will receive a return of its capital or any distribution from an Account. All investments involve the risk of loss of capital. Accordingly, an investment in an Account should only be considered by persons who can afford a loss of their entire investment. Past performance of investment entities associated with Power Sustainable or its portfolio companies is not indicative of future results or performance of an Account.

**Role of Investment Professionals.** The success of an Account will depend, in large part, upon the skill, expertise and ability of the personnel and investment professionals of Power Sustainable to develop and implement investment strategies to achieve the Account's objectives. An Account will rely extensively on the experience, relationships and expertise of the senior members of Power Sustainable. In the event of the death, disability or departure of these or other key personnel of Power Sustainable or to the extent any such persons do not fulfill their

time commitment to an Account and its investment activities generally, the business and the performance of the Account may be adversely affected. There is ever-increasing competition among alternative asset management firms, financial institutions, private equity firms, financial sponsors, investment advisers, investment managers and other industry participants for hiring and retaining qualified investment professionals, and there can be no assurance that such professionals will continue to be associated with Power Sustainable throughout the life of an Account or that any replacements will perform well. In addition, members of the investment team of an Account may work on other projects for, or have other roles within Power Sustainable.

***Risks Relating to Reliance on the Investment Manager.*** Investment decisions will be made for an Account by Power Sustainable. The success of the Account will depend on the ability of Power Sustainable to identify suitable investments and the ability of Power Sustainable to dispose of such investments at a profit for the Account. Adverse events could affect one or more of the Account's investments at the same time. There can be no assurance that Power Sustainable will be successful in this regard.

***Highly Competitive Market for Investment Opportunities Risk.*** The activity of identifying, completing and realizing attractive infrastructure credit investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that Power Sustainable will be able to locate and complete investments which satisfy an Account's investment objectives, realize the value of these investments, or fully invest an Account's committed capital, nor can there be any assurance that Power Sustainable will be able to make investments on favorable terms and conditions. Competition for such investment opportunities could come from other consortia, financial investors, and other asset managers and owners. These competitors may have financial, geographic, or strategic advantages that may reduce Power Sustainable's competitiveness and potentially materially and adversely affect its ability to successfully conclude transactions. Further, failures in identifying or consummating investments on satisfactory or favorable terms could reduce the number of investments that are completed, reduce returns, and slow growth.

***General Economic and Market Conditions Risk.*** The private credit industry generally, and an Account's investment activities in particular, are affected by general economic and market conditions, as well as a number of other economic factors that are outside of Power Sustainable's control. These factors include, but are not limited to, changes in tax, currency control and other applicable laws and regulations (including laws and rates relating to the taxation of an Account's investments), trade barriers, fluctuations in currency exchange rates and interest rates, availability and spreads of credit, credit defaults, changes in the relative prices of commodities or securities, inflation rates, economic uncertainty, currency exchange controls, general economic and market conditions and activity, and national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts or security operations) and foreign ownership restrictions. Market disruptions in a single country are increasingly likely to cause a worsening of conditions on a regional and even global level. General fluctuations in the market prices of securities and interest rates or a worsening of general economic and market conditions would likely affect the level and volatility of securities prices and the liquidity of an Account's investments, which could impair an Account's profitability and result in losses. There is no assurance that any key trends or economic and market conditions for infrastructure investing will improve or not deteriorate. Power Sustainable's financial condition may be adversely affected by a significant general economic downturn, and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on Power Sustainable's business and operations and thereby could impact an Account.

***Financial Market and Interest Rate Fluctuations Risk.*** General fluctuations in financial markets, market prices of securities or interest rates could adversely affect the value of an Account's investments. The ability of assets, companies, projects or businesses in which an Account holds investments to repay their debt obligations (including making payments to an Account as creditor with respect thereto) or refinance debt instruments may depend on their ability to obtain financing, including by selling securities in the high-yield debt or bank financing markets.

Interest rate changes will generally also affect the value of a debt instrument directly (in the case of adjustable rate instruments) or indirectly (in the case of fixed rate instruments). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price.

Any deterioration of the global debt markets (particularly the U.S. debt markets), any possible failure of certain financial services companies, and any significant rise in the market's perception of counterparty default risk or increases in interest rates or taxes, to the extent that such marketplace events are not temporary and continue, could have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening

of U.S. and global economies. Such an economic downturn could adversely affect the financial resources of portfolio companies of an Account and result in the inability of such portfolio companies to make principal and interest payments on outstanding debt obligations to the Account when due. In the event of such defaults, an Account will likely suffer a partial or total loss of capital invested in such investments, which could, in turn, have an adverse effect on an Account's returns.

**Counterparty Risk.** An Account is exposed to the risk that third parties that may owe an Account or its investments money, securities or other assets will not perform their obligations. These parties include trading counterparties, clearing agents, exchanges, clearing houses, custodians, prime brokers, lenders, administrators and other financial intermediaries. These parties may default on their obligations to an Account or its investments, due to bankruptcy, lack of liquidity, operational failure or other reasons. Nonpayment and nonperformance by such parties will likely reduce revenues and increase expenses, and any significant level of nonpayment and nonperformance could have a negative impact on a portfolio company's ability to conduct business, operating results, cash flows and its ability to service debt obligations and make payments to an Account. This risk may arise, for example, from entering into swap or other derivative contracts under which counterparties have long-term obligations to make payments to an Account or its investments, or executing securities, futures, currency or commodity trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. Also, any practice of rehypothecation of securities of an Account or its investments held by counterparties could result in the loss of such securities upon the bankruptcy, insolvency or failure of such counterparties.

**Foreign Currency and Exchange Rate.** An Account's assets generally will be denominated in U.S. dollars or in the currency of the jurisdiction where the assets are located. Consequently, the return realized on any investment by investors whose functional currency is not the currency of the jurisdiction in which the assets are located could be adversely affected by movements in currency exchange rates, costs of conversion and exchange control regulations, in addition to the performance of the investment itself. Moreover, an Account will incur costs when converting one currency into another. The value of an investment could fall substantially as a result of fluctuations in the currency of the country in which the investment is made as against the value of the U.S. Dollar. Power Sustainable is permitted to in certain circumstances attempt to manage currency exposures using hedging techniques where available and appropriate. To the extent that Power Sustainable hedges currency risks, an Account will incur costs related to such currency hedging arrangements. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that any particular currency exposure will be hedged.

**Expedited Transactions; Due Diligence.** Investment analyses and decisions by Power Sustainable may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Power Sustainable at the time of making an investment decision will likely be limited, and Power Sustainable will likely not have access to detailed information regarding investments. In addition, Power Sustainable could decide that the costs associated with seeking to obtain certain detailed information regarding the investment exceeds the anticipated benefit from having such information. Therefore, no assurance can be given that Power Sustainable will have knowledge of all circumstances that could adversely affect an investment at the time the investment decision is made, and an Account could make investments which it would not have made if more extensive due diligence had been undertaken.

**Illiquid and Long-Term Investments; Investments Longer than Term.** Investment in an Account requires a long-term commitment with no certainty of return. Although investments by an Account are expected to generate current income, the return of principal and the realization of gains, if any, from an investment generally will occur only upon the partial or complete repayment or refinancing of such investment. It is generally expected that realization of an investment will not occur for a number of years after the investment is made. It is unlikely that there will be a public market for the securities held by an Account at the time of its investment. Therefore, no assurance can be given that, if an Account is determined to realize a particular investment held by an Account, it will be able to realize such investment at the intended value, and there is a risk that the realization of such investments may require a lengthy time period or may result in distributions in-kind to Clients. An Account is generally permitted to make distributions to Clients in-kind. In certain circumstances, Power Sustainable will seek to realize illiquid securities in a manner that is in the best interests of an Account, which may include distributions in-kind. Any realization prior to the expiration date of the expected holding period for such investor could adversely affect returns. An

Account will generally not be able to sell its investments through the public markets unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. Additionally, there can be no assurance that investments can be sold on a private basis. In addition, in some cases an Account could be prohibited by contract or legal or regulatory reasons from selling certain securities for a period of time. Moreover, an Account could make investments that may not be advantageously realized prior to the date that an Account will be dissolved, either by expiration of an Account's term or otherwise.

***Non-Controlling Investments; Investments with Third Parties.*** An Account will generally hold a non-controlling interest in investments and, therefore, will have a limited ability to protect its position in such investments, although as a condition of making an investment, Power Sustainable expects that appropriate rights generally will be sought to protect an Account's interests. There can be no assurance that such rights will be available or that such rights will provide sufficient protection of an Account's rights. In such cases, an Account will typically be significantly reliant on the existing management, board of directors and shareholders of such portfolio companies, who will likely not be affiliated with an Account and whose interests may conflict with the interests of an Account.

An Account could also, in certain circumstances, co-invest with third parties, in certain investments. Such investments will involve risks in connection with such third-party involvement not present in investments where another participant is not involved, including the increased possibility of diminished liquidity or insolvency of, the third party, due to a sustained or general economic downturn. In addition, an Account could, in certain circumstances, be liable for the actions of its third-party partners (including co-investment vehicles (if any)). Furthermore, if a co-invest partner defaults on its funding obligations, an Account could be required to make up the shortfall. Investments made with third parties could involve certain origination or other similar fees payable to such third-party partners.

***Investment by Power Sustainable.*** Power Sustainable's partners, members, employees and managers, together with their estate planning vehicles, will be permitted to make commitments to an Account (and such commitments will be treated as part of the sponsor commitment) or participate in co-investments, whether through or alongside an Account or any other entity directly owned by an Account or managed by Power Sustainable, on terms that are not available to its other investors generally. There can be no assurance that such individuals will remain employed by Power Sustainable in the same capacity (or in any capacity) throughout the life of an Account notwithstanding that such commitments or invested amounts may remain part of Power Sustainable's commitment. In addition, Power Sustainable may negotiate for and retain certain carried interest or other incentive fees from co-investors in entities in which an Account invests or invests alongside.

***Public Company Holdings.*** An Account's investment portfolio may contain debt securities issued by publicly held companies. Such investments could subject an Account to risks that differ in type or degree from those involved with investments in privately held companies, whether as a result of an Account's investment in such securities alone or as a result of Power Sustainable or other Accounts also owning such securities or similar securities. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of an Account to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members and increased costs associated with each of the aforementioned risks.

***Hedging Policies/Risks.*** An Account is permitted to utilize a wide variety of derivative financial instruments for risk management purposes. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments and such transactions could entail greater than ordinary investment risks. Additionally, costs related to derivatives and other hedging arrangements (including legal expenses) will be borne by an Account. There can be no assurance that any hedging transactions will be effective in mitigating risk in all market conditions or against all types of risk (including unidentified or unanticipated risks or where Power Sustainable does not regard the probability of the risk occurring to be sufficiently high as to justify the cost), thereby resulting in losses to an Account. Engaging in hedging or other derivative transactions could result in a poorer overall performance for an Account than if it had not engaged in any such hedging or other derivative transaction, and Power Sustainable may not be able to effectively hedge against, accurately anticipate or choose not to hedge or mitigate certain risks that could adversely affect an Account's investment portfolio. In addition, an Account's investment portfolio could be exposed to certain risks that cannot be fully or effectively hedged, such as credit risk relating both to particular securities and counterparties

and foreign exchange rules. An Account will utilize hedging transactions only for those positions determined by Power Sustainable in its sole discretion.

***Cyber Security Breaches and Identity Theft.*** Cyber security incidents, breaches and cyber-attacks have been occurring globally at a more frequent and severe level and are expected to continue to increase in frequency in the future. The information and technology systems of Power Sustainable, its portfolio companies and other related parties, such as service providers, may be vulnerable to damage or interruption from cyber security breaches, computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including non-public personal information related to Clients (and their beneficial owners) and material non-public information. Although Power Sustainable has implemented, and its portfolio companies and their service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Power Sustainable does not control the cyber security plans and systems put in place by third-party service providers, and such third-party service providers may have limited indemnification obligations to Power Sustainable or a portfolio company, each of whom could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial, governmental or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, Power Sustainable or a portfolio company will likely have to make a significant investment to fix or replace them or remedy the effects of such failures. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in Power Sustainable's or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Clients (and their beneficial owners), material non-public information in possession of and the intellectual property and trade secrets and other sensitive information in the possession of Power Sustainable or its portfolio companies. Power Sustainable or a portfolio company could be required to make a significant investment to remedy the effects of any such failure, harm to their reputations, legal claims that they and their respective affiliates may be subjected to, regulatory action or enforcement arising out of applicable privacy or other laws, adverse publicity, other events that may affect their business and financial performance.

***Diseases, Epidemics and Pandemics.*** The impact of disease, epidemics and pandemics could have a negative impact on an Account, its investments and their performance and financial position. Coronavirus (or new variants thereof), renewed outbreaks of other epidemics or pandemics or the outbreak of new epidemics or pandemics could result in health or other government authorities requiring the closure of offices or other businesses and could also result in a general economic decline. For example, as is currently the case, such events could adversely impact economic activity through disruption in supply and delivery chains. Moreover, Power Sustainable's operations and those of an Account and its investments could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses could have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence could negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on the business of Power Sustainable, an Account and its investments.

***Social Unrest.*** Recent events concerning discrimination, race relations and inequality have led to protests, demonstrations, marches and other forms of political and social activism on a local, regional, national and international level. Such activism has resulted in curfews, the deployment of the national guard and other local and national interference, and could lead to increased political and social volatility and uncertainty, which was already heightened in wake of the COVID-19 pandemic. While the overall effect of such activism remains unknown, investors should note that this type of volatility and uncertainty could have a material adverse effect on an Account's investments.

**Market Volatility.** The public markets are currently experiencing significant volatility and many observers believe a global economic downturn or recession is possible. The extent and duration of such environment is currently unknown. For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgments, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value of private investments in the midst of significant volatility or market dislocation. Investors should therefore attach correspondingly qualified consideration to such performance information.

**Custody and Banking Risks.** Accounts will maintain funds with one or more banks or other depository institutions (“banking institutions”), which may include U.S. and non-U.S. banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions with whom an Account and/or Power Sustainable transact may inhibit the ability of an Account to access depository Accounts or lines of credit at all or in a timely manner. In such cases, an Account may be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Account. In the event of such a failure of a banking institution where an Account holds depository accounts access to such depository accounts could be restricted and U.S. Federal Deposit Insurance Corporation (“FDIC”) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, an Account may not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution’s assets.

**Nature of Debt Securities.** An Account is permitted to invest in secured or unsecured debt securities at various levels of an issuer’s capital structure, which could be subordinated to substantial amounts of senior indebtedness, and other parts of an issuer’s capital structure will remain that are senior to the investments made by an Account (e.g., senior secured debt), all or a significant portion of which may be secured. Senior creditors will have significant influence, which may exceed the influence of an Account or portfolio company in certain scenarios. In addition, the debt securities in which an Account will invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity, and may not be rated by a credit rating agency. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a “fraudulent conveyance” under relevant creditors’ rights laws, (ii) so-called lender liability claims by the issuer of the obligations, and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. An Account’s investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by an Account earlier than expected, resulting in a lower return to an Account than anticipated or underwritten. In addition, depending on fluctuations of the equity markets and other factors, warrants and other convertible instruments could become worthless. Accordingly, there can be no assurance that an Account’s rate of return objectives will be realized.

**Origination Activities.** An Account could engage in the origination of debt or debt-linked securities, including hybrid debt, shareholder loans with associated debt-linked warrants, and preferred equity. If an Account engages in such activities, it will be subject to applicable laws in each jurisdiction in which such activities take place. Such laws are frequently highly complex and can include licensing requirements. The licensing processes can be lengthy and can be expected to subject a debt originator to increased regulatory oversight. In some instances the process for obtaining a required license or exception certificate can require disclosure to regulators or to the public of information about an Account, its direct or indirect investors, its loans, its business activities, its management or controlling persons or other matters. Such disclosures could provide competitors with information that allows them to benefit at the expense of an Account, which could have a material adverse effect on an Account. Failure, even if unintentional, to comply fully with applicable laws could result in sanctions, fines, or limitations on the ability of an Account, Power Sustainable or its affiliates to do business in the relevant jurisdiction or to procure required licenses in other jurisdictions, all of which could have a material adverse effect on an Account.

The market for originating debt and debt-linked securities is highly competitive, and an Account may be unable to compete effectively with other market participants for origination opportunities. An Account may compete for opportunities with public and private investment funds, commercial and investment banks and commercial finance

companies. In general, the corporate, non-mortgage debt origination markets present relatively low barriers to entry, and significant competition is likely.

Many current and potential competitors in the debt origination and debt-linked securities business are much larger than an Account's expected size and, accordingly, have far greater financial, technical, marketing and other resources. An Account will be subject to various elements of competition, including interest rates and financing costs; origination standards; convenience; customer service; the size, term and seniority of financing arrangements; and marketing and distribution channels. Price pressure from competitors (including market participants that are not directly originating debt) could cause an Account to lower the interest rates that it charges issuers, which consequently could lower the value of an Account's loans. Further, if competitors adopt less stringent debt origination standards in order to maintain their debt origination volume, an Account may elect to do so as well. If an Account adopts less stringent debt origination standards, an Account will bear increased risk for debt originated under such less stringent standards, which could not be compensated by an increase in price. Alternatively, an Account may determine not to adopt less stringent origination standards in this competitive environment, which could result in a loss of market share. Increased pressure on pricing and origination opportunities would likely reduce the volume and quality of an Account's origination activity and materially adversely affect an Account. In particular, from time to time there could be influxes of capital directed to smaller issuers, which could result in a tendency by the highest quality issuers to borrow from sources other than an Account such that an Account's origination opportunities and its eventual portfolio include a disproportionate number of lower quality issuers, exacerbating some of the risks outlined here.

**Second Lien Loans.** An Account is permitted to also invest in second lien loans, which entail risks including (i) the subordination of an Account's claims to a senior lien in terms of the coverage and recovery of the collateral and (ii) the prohibition of or limitation on the right to foreclose on a second lien or exercise other rights as a second lien holder. In certain cases, therefore, no recovery will be available from a defaulted second lien loan. The level of risk associated with investments in second lien loans increase to the extent such investments are loans of distressed or below investment grade companies.

**Secured Loans.** An Account intends to invest in senior secured loans, which would typically have limited mandatory amortization and interim repayment requirements. A low level of amortization of any directly originated senior secured loans over the life of such senior secured loans could increase the risk that an issuer will not be able to repay or refinance the senior secured loans held by an Account when it comes due at its final stated maturity.

While an Account can invest in secured loans that are over-collateralized at the time of the investment, it could nonetheless be exposed to losses resulting from default and foreclosure. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien are each of importance. An Account cannot guarantee the adequacy of the protection of an Account's interests, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, an Account cannot assure that claims will not be asserted that might interfere with enforcement of an Account's rights. In addition, in the event of any default under a secured loan held by an Account, an Account will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the secured loan, which could have a material adverse effect on an Account's cash flow from operations.

Federal or state law can grant liens on the collateral (if any) securing a loan that have priority over an Account's interest. An example of a lien arising under federal or state law is a tax or other government lien on property of an obligor. A tax lien will generally have priority over an Account's lien on such collateral. To the extent a lien having priority over an Account's lien exists with respect to the collateral related to any loan, an Account's interest in the asset will be subordinate to such lien. If the creditor holding such lien exercises its remedies, in certain circumstances, after such creditor is repaid, sufficient cash proceeds from the underlying collateral will not be available to pay the outstanding principal amount of such loan obligation.

In the event of a foreclosure, an Account (and other lenders to such borrower) are permitted, in certain circumstances, to assume direct ownership of underlying assets of the borrower. The liquidation proceeds upon sale of such assets may not satisfy the entire outstanding balance of principal and interest on the loan, resulting in

a loss to an Account. Any costs or delays involved in effecting a foreclosure or liquidating underlying assets could further reduce the proceeds and thus increase the loss. In addition, the value of the assets of an obligor in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such assets would be sufficient to satisfy all of the secured debt obligations.

***Subordinated, Unsecured Securities and Loans; Collateral Impairment.*** An Account's investments can include securities that are deeply subordinated in what will typically be a complex capital structure. Accordingly, such securities will be subject to a greater risk of loss than securities that are more senior. An Account's investments can also include securities that are unsecured obligations of their issuers, often in situations in which such issuer has substantial secured obligations outstanding or such securities are at various levels of such issuers capital structure. An Account is permitted to invest in a range of mezzanine and junior tranches of debt securities in an issuer's capital structure. The presence of security interests in the assets of an issuer reduces the assets available to satisfy such issuer's unsecured obligations in the event of an insolvency. As a result, unsecured obligations will be subject to a greater risk of loss than securities that benefit from a security interest in the assets of an issuer and investments in subordinated debt securities involve greater credit risk of default than the more senior classes of such issuance or series. In the event of a default by a borrower, an Account might not receive payments to which it is entitled and thereby could experience a decline in the value of its investments in the borrower. To the extent an Account invests in unsecured or relatively junior debt securities in an issuer's capital structure, such investments will likely be subordinated to substantial amounts of senior indebtedness and, in the event of such default, an Account will have only an unsecured claim against the borrower. Subordinated or junior tranches in an issuer's capital structure absorb losses from default before other more senior tranches to which such junior tranches are subordinate. As a result, to the extent an Account invests in such debt, an Account would potentially receive payments or interest distributions after, and must bear the effects of losses or defaults on the underlying loans before, the holders of other more senior tranches of debt. In the case of second lien loans that are secured by collateral, the value of the collateral could be equal to or less than the value of such second lien loans or could decline below the outstanding amount of such second lien loans subsequent to an Account's investment. The ability of an Account to have access to the collateral can be limited by bankruptcy and other insolvency laws. Under certain circumstances, the collateral could be released with the consent of the lenders or pursuant to the terms of the underlying loan agreement with the borrower. There is no assurance that the liquidation of the collateral securing a loan would satisfy the borrower's obligation in the event of nonpayment of scheduled interest or principal, or that the collateral could be readily liquidated. As a result, an Account might not receive full payment on a secured loan investment to which it is entitled and thereby could experience a decline in the value of, or a loss on, the investment.

***Investments in Convertible Debt.*** An Account is permitted to invest in convertible debt securities to the extent that Power Sustainable believes such investments offer potential for capital appreciation. There is no minimum credit standard that is a prerequisite to an Account's investment in any security, and most debt securities and preferred equity that offer potential for capital appreciation are likely to be non-investment grade.

***Distressed Debt Risk.*** Distressed debt opportunities involve inherent risks because investments are typically made in companies that may be at or near insolvency. Investments may be made through bank notes, trade claims, or other non-traditional forms of investment. Recouping and profiting from distressed investments involves a high degree of risk. Events arising after the investment in a company can seriously or completely degrade investments and cause them to lose some or all of their investment value.

***Non-Investment Grade Securities.*** The investments could include non-investment grade securities or interests in non-investment grade securities, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks. It is anticipated that such investments generally will be subject to greater risks than investment grade corporate obligations. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular types of securities.

Prices of non-investment grade securities may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of loans. The current

uncertainty affecting the United States economy and the economies of other countries in which issuers are domiciled or operate and the possibility of increased volatility in financial markets could adversely affect the value and performance of such securities.

Non-investment grade investments have historically experienced greater default rates than has been the case for investment grade securities. There can be no assurance as to the levels of defaults or recoveries that may be experienced on the investments, and an increase in default levels could adversely affect payments on the investments.

A non-investment grade loan or other debt obligation or an interest in a non-investment grade loan or other debt obligation is generally considered speculative in nature and could become a defaulted obligation for a variety of reasons. Upon any investment becoming a defaulted obligation, such defaulted obligation could become subject to either substantial workout negotiations or restructuring, which could entail, among other things, a substantial reduction in the interest rate, a substantial write down of principal, or a substantial change in the terms, conditions and covenants with respect to such defaulted obligation. In addition, such negotiations or restructuring could be quite extensive and protracted over time, and therefore could result in substantial uncertainty with respect to the ultimate recovery on such defaulted obligation. The liquidity for defaulted obligations will likely be limited, and to the extent that defaulted obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon.

***Nature of Bankruptcy Proceedings.*** In the event of a default or bankruptcy, certain investments could require an Account to conduct substantial workout negotiations or restructuring. There are a number of significant risks when investing in companies that become involved in bankruptcy proceedings, including the following: (i) many events in a bankruptcy are the product of contested matters and adversary proceedings that are beyond the control of the creditors; (ii) a bankruptcy filing may have adverse and permanent effects on a property or a company (for instance, the company may lose its market position and key employees and otherwise become incapable of restoring itself as a viable entity, and, if the proceeding is converted to a liquidation, the liquidation value of the company may not equal the liquidation value that was believed to exist at the time of the investment); (iii) the duration of a bankruptcy proceeding is difficult to predict and a creditor's return on investment can be impacted adversely by delays while the plan of reorganization is being negotiated, approved by the creditors and confirmed by the bankruptcy court, and until it ultimately becomes effective; (iv) certain claims, such as claims for taxes, wages, employee and worker pensions and certain trade claims, could have priority by law over the claims of certain creditors; (v) the administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor's estate prior to any return to creditors; (vi) creditors can lose their ranking and priority in a variety of circumstances, including if they exercise "domination and control" over a debtor and other creditors can demonstrate that they have been harmed by such actions; and (vii) an Account is permitted to seek representation on creditors' committees and as a member of a creditors' committee it will generally owe certain obligations generally to all creditors similarly situated that the committee represents and it will generally be subject to various trading or confidentiality restrictions. Furthermore, bankruptcy laws could delay the ability of an Account to realize on collateral for loan positions held by it or could adversely affect the priority of such loans through doctrines such as equitable subordination or could result in a restructuring of the debt through principles such as the "cramdown" provisions of the bankruptcy laws. In addition, the bankruptcy laws and regimes of certain jurisdictions outside the United States may be untested, subject to manipulation or change and not provide a proven venue to resolve a company's bankruptcy estate.

***Bank Loans and Participations.*** An Account's investment program may include investments in bank loans, participations in loans by way of syndication or otherwise and credit-linked notes ("CLNs"). These obligations are subject to particular risks, including (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights and bankruptcy laws, (ii) so called lender liability claims by the issuer of the obligations, (iii) environmental liabilities that could arise with respect to collateral securing the obligations and (iv) limitations on the ability of an Account to enforce directly its rights with respect to participations and CLNs. In analyzing each bank loan or participation or CLN, Power Sustainable compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks, absent certain conduct by Power Sustainable and its affiliates and certain other individuals, will be borne by an Account. In addition, the settlement process for the purchase of bank loans can take significantly longer than the timeframes established by the Loan Syndications & Trading Association and comparable non-U.S. bodies.

The longer a trade is outstanding between the counterparties, the greater the risk of additional operational and settlement issues and the potential for an Account's counterparty to fail to perform.

**Credit Risk.** One of the fundamental risks associated with an Account's investments is credit risk, which is the risk that a borrower will be unable or unwilling to make principal and interest payments on its outstanding debt obligations when due. An Account's returns would be adversely impacted if a borrower to which an Account lends becomes unable to make such payments when due. While an Account will generally target investments in companies it believes are able to repay their indebtedness, these companies could still present a high degree of business and credit risk. Companies in which an Account invests could deteriorate as a result of, among other factors, an adverse development in their businesses, a change in the competitive environment or the continuation or worsening of any economic and financial market downturns and dislocations. As a result, companies that an Account expected to be stable or improve could operate, or expect to operate, at a loss or have significant variations in operating results, could require substantial additional capital to support their operations or maintain their competitive position, or could otherwise have a weak financial condition or experience financial distress.

**Prepayment.** An Account is permitted to purchase loans for which the underlying issuers are not subject to any repayment penalties, even if an issuer determines to prepay the obligation early during the term of the debt investment. If the debt investments that an Account is invested in are prepaid without any prepayment penalties, an Account's ability to achieve its investment objective could be affected.

**Balloon Loans and Bullet Loans; Limited Amortization.** An Account's investments can include balloon loans, bullet loans or loans that have limited mandatory amortization requirements. Such loans involve a greater degree of risk than other types of transactions because they are structured to allow for either small or no principal payments over the term of the loan, requiring the obligor to make a large final payment upon the maturity of the loan. The ability of such obligor to make this final payment upon the maturity of the loan typically depends upon its ability either to refinance the loan prior to maturity or to generate sufficient cash flow to repay the loan at maturity. The ability of any obligor to accomplish any of these goals will be affected by many factors, including the availability of financing at acceptable rates to such obligor, the financial condition of such obligor, the marketability of the collateral (if any) securing such loan, the operating history of the related business, tax laws and the prevailing general economic conditions. Consequently, such obligor may not have the ability to repay the loan at maturity, and an Account could lose all or a portion of the principal of the loan. Given their relative size and limited resources and access to capital, some obligors may have difficulty in repaying or refinancing such loans on a timely basis or at all.

**Infrastructure Investments.** Investment in infrastructure assets involves many particular and acute risks. Project revenues, and therefore repayment of principal, can be affected by a number of factors including economic and market conditions, political events, competition, regulation and the financial position and business strategy of customers. Unanticipated changes in the availability or price of inputs necessary for the operation of infrastructure assets may adversely affect the overall performance of an investment or related project. Events outside the control of a portfolio company, such as political action, governmental regulation, demographic changes, economic conditions, government macroeconomic policies, political events, social instability, natural disasters (such as fire, floods, earthquakes and typhoons), changes in weather, changes in demand for products or services, bankruptcy or financial difficulty of a major customer, acts of war or terrorism and other unforeseen circumstances and incidents could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring infrastructure assets. In turn, this may impair a portfolio company's ability to make principal and interest payments on outstanding debt obligations to an Account when due. As a general matter, the operation and maintenance of infrastructure assets or businesses involve various risks and are subject to substantial regulation (as described herein), many of which may not be under the control of the owner/operator, including labor issues, structural failures and accidents and the need to comply with the directives of government authorities. Furthermore, once infrastructure assets of a portfolio company become operational, they may face competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on governmental plans and policies. All of these circumstances may lead to a scenario where the portfolio company suffers significant losses leading to it being unable to make principal and interest payments on outstanding debt obligations to an Account when due.

**Development Risk.** An Account may acquire debt interests in infrastructure asset projects or businesses that engage in development. To the extent that an Account invests in such development activities, it will be subject to the risks normally associated with such activities. Such risks include, without limitation, those relating to the availability and timely receipt of zoning and other regulatory approvals, tenant lease up and absorption risk, the cost and timely completion of construction (including, without limitation, risks beyond the control of Power Sustainable, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of an Account and its returns. Properties under development or properties acquired to be developed may generate little or no cash flow from the date of acquisition through the date of completion of development and could experience operating deficits after the date of completion. Successful development of new or expansion projects will generally require the involvement of a broad and diverse group of stakeholders who will either directly influence or potentially be capable of influencing the nature and outcome of the project. Such characteristics can include, without limitation, political or local opposition, receipt of regulatory approvals or permits, site or land procurement, environment-related issues, construction risks and delays, labor disputes, counterparty non-performance, project feasibility assessment and dealings with and reliance on third-party consultants. When making an investment, value may be ascribed to potential development projects that do not achieve successful implementation, potentially resulting in a lower than expected returns to an Account.

**Climate Risk.** Global climate change is widely considered to be a significant threat to the global economy. Infrastructure assets in particular may face risks from the physical effects of climate change, such as risks posed by increasing frequency or severity of extreme weather events and rising sea levels and temperatures. Additionally, the Paris Agreement and other initiatives by international, federal, state and regional policymakers and regulatory authorities as well as private actors seeking to reduce greenhouse gas emissions may expose infrastructure assets to so-called “transition risks” in addition to physical risks, such as (i) regulatory and litigation risk (e.g., changing legal requirements that could result in increased permitting and compliance costs, changes in business operations, or the discontinuance of certain operations, and litigation seeking monetary or injunctive relief related to climate impacts), (ii) technology and market risk (e.g., declining market for products and services seen as greenhouse gas intensive or less effective than alternatives in reducing greenhouse gas emissions) and (iii) reputational risk (e.g., risks tied to changing custom or community perceptions of an asset’s relative contribution to greenhouse gas emissions). Power Sustainable cannot rule out the possibility that climate risks could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities once undertaken, any of which could have a material adverse effect on an investment or an Account.

**Infrastructure Regulatory and Legal Risks.** Portfolio investments of an Account could be in entities that are subject to substantial regulation by governmental agencies. In addition, their operations can rely on governmental licenses, concessions, leases or contracts that are generally very complex and may result in disputes over interpretation or enforceability. If any portfolio investments fail to comply with these regulations or contractual obligations, they could be subject to monetary penalties or they may lose their rights to operate the underlying infrastructure assets or both. Where their ability to operate an infrastructure asset is subject to a concession or lease from the government, the concession or lease may restrict their ability to operate the asset in a way that maximizes cash flows and profitability. The lease or concession may also contain clauses more favorable to the government counterparty than a typical commercial contract. New laws, regulations or policies may require an Account to restructure a portfolio investment or obtain additional licenses or approvals, which such restructuring, licenses or approvals may be costly and cause delays in acquiring, disposing of or implementing change at such portfolio investment. Governments have considerable discretion in implementing regulations and policies that could impact these portfolio investments and may be influenced by political considerations and make decisions that materially and adversely affect such portfolio investments and their operations.

**Foreign Investment Risk.** Special risks associated with investments in foreign (non-U.S.) companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability, differing auditing and legal standards and the imposition of economic sanctions in a particular jurisdiction or industry. To the extent that an Account’s investments are concentrated in one or a limited number of foreign countries, the Account’s performance could be more volatile than that of more geographically diversified funds.

***Operational Risk.*** An Account depends on Power Sustainable to develop the appropriate systems and procedures to control operational risk. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in an Account's operations could cause an Account to suffer financial losses, the disruption of its business, liability to third parties, regulatory intervention or damage to its reputation. Generally, Power Sustainable will not be liable to an Account for losses incurred due to the occurrence of any such errors.

***Infrastructure Environmental Risks.*** The operation of infrastructure assets is subject to numerous statutes, rules and regulations relating to environmental protection. There is the possibility of existing or future environmental contamination, including soil and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants. Under various environmental statutes, rules and regulations of the appropriate jurisdiction, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. Environmental statutes, rules and regulations can also change or a condition at a portfolio investment can change and lead to liabilities or obligations that did not exist or were not foreseen at the time of the investment. These laws often impose liability whether or not the owner or the operator knew of or was responsible for, the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties. Any liability of portfolio investments resulting from non-compliance or other claims relating to environmental matters or any costs related to coming into compliance could have a material adverse effect on the value of an Account's investments in such portfolio investments.

**Item 9 Disciplinary Information**

Not applicable.

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

Neither the Filing Adviser nor the Relying Adviser have any other registrations.

Power Sustainable is an indirect, majority-owned subsidiary of PCC, a diversified international management and holding company with interests in companies that are active in the financial services, communications and other business sectors. PCC's financial subsidiaries include U.S. investment advisers, broker-dealers, retirement plan record keepers, and insurance companies, as well as non-U.S. investment advisers, broker-dealers, fund management companies, and insurance companies. As such, Power Sustainable is affiliated with a number of entities that are engaged in financial industry-related activities.

Being part of a larger corporate group could involve conflicts of interest if, for example, an asset manager were to use affiliated products and services when those products and services may not be in its Clients' best interests. Many U.S. and non-U.S. laws aim to limit these conflicts of interests – for example, by preventing a money manager from entering into transactions between its Clients and its affiliates where the Client might be disadvantaged. Power Sustainable has adopted policies and procedures reasonably designed to manage and, to the extent possible, avoid related conflicts of interest. These policies require that a purchase, sale, or holding of those investments, among other requirements, must among other things: (i) be made free from any influence by a related company; (ii) represent the business judgment of the portfolio manager uninfluenced by considerations other than the best interest of the Account; and (iii) be reasonably expected to achieve a fair result for the Account.

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

Power Sustainable has adopted a Code of Ethics (“**Code**”) pursuant to Rule 204A-1 under the Advisers Act. The Code applies to all permanent staff, officers, directors and most temporary staff and consultants who have worked for Power Sustainable and/or a Relying Adviser for more than six months (collectively, “**Staff**”). The Code contains provisions requiring Staff to act in the best interests of the Clients and to comply with the federal securities laws which govern Power Sustainable’s activities and to report any violations of the Code to the Chief Compliance Officer. The Code also contains Power Sustainable’s personal trading policies and procedures which govern the personal investing activities of its staff. The Code requires staff to pre-clear certain personal securities transactions and requires staff to also provide annual securities holdings reports and quarterly securities transactions reports. Staff are also prohibited from purchasing securities from the restricted list. The Code includes policies and procedures to prevent the misuse and disclosure of material non-public information and other confidential information, as well as policies and procedures addressing conflicts of interest; outside activities of staff; gifts and business entertainment; and political contributions.

We will make our Code available to any Client or prospective Client of a Relying Adviser who requests a copy.

**Item 12 Brokerage Practices**

We invest primarily in privately negotiated investments, although we may occasionally acquire, sell or distribute public securities on behalf of certain Accounts. When investing in privately negotiated transactions, we seek to satisfy our best execution responsibilities through careful negotiation of the terms of the investment.

With respect to those limited instances in which we acquire, sell or distribute publicly traded securities or enter into hedging contracts on behalf of certain Clients through a broker-dealer or other financial institution, we will seek to satisfy our best execution obligations by considering all relevant facts and circumstances. We will generally seek competing bids and look for whether the transaction represents the best qualitative execution, including the price and size of the order, the trading characteristics of the securities involved, the value of research provided by each broker, the broker's execution abilities, commission rates, financial responsibility, and responsiveness, as well as counterparty risk and concentration risk, as applicable.

Under no circumstances will we select a broker-dealer to execute a transaction on behalf of an Account based on that broker-dealer's capital-raising activities on behalf of the Funds. However, we may execute trades through broker-dealers that have acted as placement agents on behalf of the Funds or otherwise assisted our capital-raising efforts so long as we have determined that such broker-dealer is capable of delivering best execution in respect of our trades on behalf of our Clients.

We do not have any soft dollar arrangements with any brokers whereby we can direct a broker to pay for external research services from a soft dollar account.

Infrequently, the Firm will aggregate orders for the purchase or sale of securities on behalf of multiple Clients. In such instances we will aggregate orders as we deem appropriate and in the best interest of the participating Clients, subject to and in accordance with the applicable provisions in the applicable Fund Governing Documents.

We maintain policies and procedures that are designed to ensure that all investment opportunities are, to the extent applicable, allocated among our Funds on a basis that over time is fair and equitable to each Fund relative to other Funds taking into account all relevant facts and circumstances. From time to time, Power Sustainable will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Power Sustainable. In determining which investment vehicles should participate in such investment opportunities, Power Sustainable and its affiliates are subject to conflicts of interest among the investors in such investment vehicles.

Except as required by the respective Fund Governing Documents, Power Sustainable is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one Client of Power Sustainable in a portfolio company also have the potential to raise the risk of using assets of a Client of Power Sustainable to support positions taken by other Clients of Power Sustainable. Power Sustainable must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Power Sustainable generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund Governing Documents, as well as factors including, but not limited to: (a) the sourcing of the transaction; (b) the size and nature of the investment; (c) the risk-return or target return profile or projected hold period of the proposed investment relative to each Fund's current risk profiles (it being understood that there can be no assurance that the actual returns from such investments will be in line with such targets, that investments will be held for the projected hold period or that such characteristics will ultimately match Power Sustainable's expectations at the time such investments are made); (d) the relative amounts of capital available for investment; (e) principles of diversification; (f) the location of the investment assets; (g) each Fund's investment focus, investment guidelines, restrictions, terms and objectives, including whether such objectives are considered solely in light of the specific investment under consideration or in the context of the respective portfolios' overall holdings; (h) the need to re-size risk in each Fund's portfolios (including the potential for the proposed investment to create an industry, sector or issuer imbalance in each Fund's portfolios, as applicable) and taking into account any existing non-pro rata investment positions in the portfolio of each Fund; (i) liquidity considerations of the Funds, including during a ramp-up or wind-down of one or more Fund, proximity to the end of a Fund's specified term or investment period, any redemption/withdrawal requests, anticipated future contributions and available cash; (j) tax consequences; (k)

regulatory or contractual restrictions or consequences; (l) avoiding a de minimis allocation; (m) availability and degree of leverage and any requirements or other terms of any existing leverage facilities; (n) each Fund's investment focus on a classification attributable to an investment or issuer of an investment, including, without limitation, geography, industry or business sector; (o) the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals dedicated to each Fund; (p) the management of any actual or potential conflict of interest; (q) with respect to investments that are made available by counterparties pursuant to negotiated trading platforms (e.g., ISDA contracts), the absence of such relationships (which may not be available for all Clients); and (r) any other considerations deemed relevant by Power Sustainable in good faith (all of the foregoing factors being hereinafter referred to as the "**Investment Allocation Considerations**"). A Fund generally reserves the right to invest together with other Funds in the manner set forth in the Fund Governing Documents and Power Sustainable's policies and procedures. Power Sustainable will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its Clients under the circumstances over time consistent with Power Sustainable's obligations and reserves the right to take into consideration factors such as those set forth above. We may depart from this policy in a particular circumstance if it is determined that it would be appropriate to do so and that such a departure would nonetheless be consistent with our fiduciary duties to the Funds. A follow-on investment opportunity in an existing portfolio company will generally first be considered as an opportunity for the Fund(s) that has an existing investment in that portfolio company. To the extent that multiple Funds hold an interest in the same portfolio company, we will allocate any disposition opportunities with respect to that investment on a basis that is fair and equitable to each Fund relevant to other Funds taking into account all relevant facts and circumstances, including without limitation the relative ownership percentages of the Clients in the applicable portfolio company; provided that Power Sustainable may adjust such follow-on investment allocations in its discretion in accordance with the Investment Allocation Considerations (including, without limitation, in consideration of the availability of capital). To the extent that a Fund does not participate in any such follow-on investment, or participates in such follow-on investment in a smaller proportion than its existing investment in such portfolio company, its ownership interests in such portfolio company will be diluted (with such dilution generally determined based on such portfolio company's value).

Depending on the size and other relevant factors associated with an investment opportunity, investment allocation decisions may be further made with respect to potential co-investment in the investment opportunity. We may evaluate possible co-investors based on all relevant factors, including those specific to the investment opportunity and as set forth in the relevant Fund Governing Documents. Subject only to any applicable provisions in the respective Fund Governing Documents or side letters, we may but are under no obligation to offer co-investment opportunities to existing investors in the Funds on a pro rata basis or otherwise.

Power Sustainable's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Power Sustainable will allocate investment opportunities in a manner that it believes is fair and equitable to the Funds under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Power Sustainable expects to be subject, discussed herein, did not exist.

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

Power Sustainable monitors Accounts on an ongoing basis. The Accounts' investments are closely reviewed by our investment professionals.

Institutional Clients receive such reports as are agreed upon between the Client and Power Sustainable. The nature and frequency of these reports are typically set forth in the relevant investment advisory contract and can vary from Account to Account. Power Sustainable makes representatives available to discuss investments in an Account with that Client on a periodic basis.

Investors in the Funds will receive reports as described in the applicable Fund Governing Documents. Where required by law, Investors in each Fund are also provided with Form K-1 for tax purposes. Investors in each Fund will receive audited financial statements, within 120 days following the Fund's fiscal year end.

In addition to written reports, Power Sustainable often has formal or informal verbal discussions with Clients regarding their Account.

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

Historically, we have entered into arrangements in which third parties assist in our capital raising efforts in exchange for a fee. We typically pay a fee to these placement agents calculated as a percentage of the total funds raised by the placement agent, as specifically negotiated with the placement agent. Investors typically do not bear the cost of these referral fees as any such amounts paid reduce the management fees otherwise payable to us and our affiliates. We do not engage any placement agent or finder that is not duly registered with FINRA (or the corresponding non-US authorities, as applicable) or duly registered with the SEC as an investment adviser, as applicable.

Our use of placement agents is disclosed in our offering materials.

## **Item 15 Custody**

Power Sustainable's Separately Managed Account Clients and Funds may maintain custody arrangements with independent qualified custodians to safeguard their funds and securities. However, Power Sustainable may sometimes have "custody" (as defined in Advisers Act Rule 206(4)-2 (the "**U.S. Custody Rule**")) of Client funds and securities, even though it does not actually hold or maintain them.

Power Sustainable is deemed to have "custody" of Accounts within the meaning of the U.S. Custody Rule if Power Sustainable has access to or authority over Client funds and securities for purposes other than issuing trading instructions. If Power Sustainable is deemed to have custody over a U.S. Client's Account, the custodian will send periodic account statements (generally on a quarterly basis) indicating the amounts of any securities or cash in the Account as of the end of the statement period and any transactions in the Account during the statement period. Clients should review these statements carefully and should contact us immediately if you do not receive account statements from your custodian on at least a quarterly basis. As noted in Item 13, above, if Power Sustainable separately provides reports or account statements, Clients should compare these carefully to the custodian's statements. Clients should contact Power Sustainable immediately if there appears to be any discrepancy between the custodian's statements and Power Sustainable's.

In addition, where an affiliate of Power Sustainable serves as general partner of a fund advised by Power Sustainable, Power Sustainable is deemed to have "custody" in respect of each such Fund within the meaning of the U.S. Custody Rule. Each investor in such Fund will receive audited financial statements within 120 days following the Fund's fiscal year end and (where applicable) upon liquidation of such Fund. If you have invested in such a Fund and have not received audited financial statements timely, or have any questions about such Fund's financial statements, please contact us immediately.

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

We generally have the authority to make all investment determinations on behalf of our Clients, including investments made by Funds, and on behalf of Clients invested through Separately Managed Accounts. The relevant investment management agreement for a Client and the Fund Governing Documents generally impose some limitations on our investment discretion, which limitations may be waived by Clients, by Fund investors, or by parties acting on behalf of Fund Investors, which may include the Limited Partner Advisory Committee of a Fund.

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

Except to the extent that a Client, by contract or otherwise, explicitly reserves the power to vote proxies to itself or another party (or prohibits Power Sustainable from voting), Power Sustainable will vote proxies with respect to each Account for which it has discretionary authority.

Power Sustainable has written proxy voting policies and procedures as required by relevant law, including Rule 206(4)-6 under the Advisers Act. Under these policies and procedures, Power Sustainable votes proxies relating to portfolio securities in the best interests of its Clients, unless the Client has requested, in writing, that alternate procedures (including, but not limited to, a Client's own proxy voting policies and procedures) be applied. Power Sustainable considers the "best interests of its Clients" to be the best economic interests over the long term.

Power Sustainable's proxy voting policies and procedures vest each Account's investment professionals with the responsibility for making proxy voting decisions for the Accounts he or she manages and, from time to time, different portfolio managers could come to a different conclusion as to the course of action which he or she deems to be in the best interests of Clients. In those circumstances, Power Sustainable could vote proxies for one or more Accounts differently than other Accounts. Power Sustainable also maintains proxy voting guidelines that inform each portfolio manager's decision making with respect to proxy votes, however, portfolio managers retain discretion to vote proxies on a case-by-case basis taking into account all relevant circumstances.

In some circumstances, Power Sustainable could determine that it is in the Client's best interest to refrain from voting proxies, including, for example, where such securities are subject to legal or contractual restrictions on voting, where requirements with respect to voting render the expense of voting excessive in relation to the value of casting a vote or where voting would subject Accounts to "share blocking," which would prevent Power Sustainable from disposing of the security for a specified amount of time surrounding the shareholder meeting.

Circumstances could occur where there is a conflict of interest between an Account and Power Sustainable with respect to voting the Client's securities. In order to guard against conflicts, Power Sustainable has implemented policies and procedures in order to prevent and manage potential conflicts of interest.

Clients can obtain a copy of Power Sustainable's proxy voting policies and procedures and/or information on how their securities were voted by contacting Power Sustainable, in writing at [Compliance@powersustainable.com](mailto:Compliance@powersustainable.com). Power Sustainable will not disclose proxy votes for a Client to other Clients or third-parties, unless specifically requested, in writing, by the Client or required by law.

**Item 18 Financial Information**

Not applicable.

**Item 19 Requirements for State-Registered Advisers**

Not applicable.