

## **DURATION CAPITAL PARTNERS LLC**

### **Form ADV Part 2A**

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This brochure provides information about the qualifications and business practices of Duration Capital Partners LLC (collectively with our affiliates, “we,” “our,” “Duration” or the “Adviser”). Registration with the United States Securities and Exchange Commission (“SEC”) does not imply a certain level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. If you have any questions about the contents of this brochure, please contact us at (917) 209-6781.

**Additional information about Duration is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Any reference to Duration as a “registered investment adviser” or being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

This document is the initial Form ADV Part 2A (the “Brochure”) for Duration. Duration filed its initial application to register as an investment adviser with the SEC on March 15, 2024. Pursuant to SEC requirements and rules, you will receive a summary of any material changes to this Brochure within one hundred twenty (120) days of the close of Duration’s fiscal year.

In this Item 2, Duration will periodically identify and discuss material updates to the Brochure. We are in the process of registering as an investment adviser; therefore, we have no material changes to report. This Brochure may be requested at any time, without charge, by contacting Nancy Labanara, Chief Compliance Officer (“CCO”), at Duration.

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

Duration Capital Partners LLC (collectively with our affiliates, the “Adviser,” “Duration” or “we”) is a Delaware limited liability company formed in 2024 with its principal office in New York, New York. The principal owners of Duration are Emmett McCann and Josh Connor (the “Principals”).

Pursuant to an anticipated transaction between the Principals and Oaktree Capital Management, L.P. (together with its affiliates, “Oaktree”), Oaktree is expected to transfer and assign certain general partner interests and advisory agreements to Duration and its applicable affiliates (the “Transaction”). Additionally, as part of the Transaction, Oaktree is expected to hold a minority interest in Duration and to retain its right to receive certain carried interest and incentive allocations that it otherwise would have received but for the Transaction. Consummation of the Transaction is subject to the consent of relevant Oaktree clients and such clients’ investors, as well as certain other conditions precedent. After consummation of the Transaction, Duration expects to manage and control certain transportation and transportation infrastructure investment vehicles and accounts currently managed and advised by Oaktree with respect to which the Principals served as co-portfolio managers during their tenure at Oaktree and any new investment funds and accounts that will be sponsored by Duration in the future (each, a “Fund” and, collectively, the “Funds”). Duration generally intends to provide discretionary investment advisory services to the Funds, and each Fund is expected to be managed by one or more of Duration’s affiliates to act as general partner (each, a “General Partner”).

Duration has broad discretion to invest in a variety of strategies, and the Funds are generally expected to seek their investment objectives primarily by making investments in corporations, partnerships, limited liability companies and other similar entities that focus primarily on the North American transportation and transportation infrastructure industry. Duration’s advisory services for the Funds are detailed in each Fund’s private placement memorandum (each, a “Memorandum”) and each Fund’s agreement of limited partnership (with respect to each Fund, and together with the applicable Memorandum, the “Governing Documents”). The individuals and other persons that invest in the Funds are generally referred to herein as “Investors” or “Limited Partners.” The General Partner and the Investors or Limited Partners are sometimes referred to collectively as the “Partners.”

Duration does not currently have any assets under management but expects to have assets under management in excess of \$100 million within one hundred twenty (120) days of being approved as a registered investment adviser with the SEC. In accordance with Rule 203A-2(c) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), Duration intends to update this Form ADV Part 2A (along with the Form ADV Part 1) to reflect, among other things, its regulatory assets under management within 120 days of registration to indicate that it has met the asset eligibility requirements for registration with the SEC.

## **Item 5            Fees and Compensation**

Each Fund's Governing Documents describe the fees, compensation and expenses that are expected to be borne by such Fund. Investors in the Funds should refer to the Governing Documents for a detailed description of each Fund's fees, compensation and expenses.

### **Management Fees**

In consideration of Duration's investment advisory and other services, Duration is typically entitled to receive management fees from the Funds, which are generally equal to a percentage of such Fund's net assets, commitment or invested capital. Duration does not receive management fees or carried interest from certain co-investment vehicles. The management fee percentage and/or the base upon which the management fee is calculated will typically vary with the size of an Investors' commitment to a Fund and will also typically vary over the life of the Funds, as negotiated and determined at the time the Funds is established and as set forth in its Governing Documents. A Fund's management fee percentage generally varies from approximately 0.45% per annum to 1.5% per annum subject to terms as negotiated by Investors as described above. A management fee will be payable in advance or in arrears, depending on the circumstances, as more fully described in the relevant Governing Documents.

The Governing Documents set forth the full detailed list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently Investors should expect to bear the specified Management Fee rate in the Governing Documents until they are reduced under the circumstances and on the date(s) specified therein.

### **Incentive Allocation**

Duration and its affiliates have the potential to earn performance-based compensation in the form of performance fees or incentive allocations from certain of the Funds. The amount of such performance-based compensation and the calculation and timing of payment of such compensation are set forth in the terms of the governing documents of each Fund. Duration typically receives annual performance-based compensation up to 20% of the year's profits, subject, in certain cases, to either a high-water mark or hurdle rate. A high-water mark refers to the highest historical net asset value attributable to an Investor's account. For such Funds that have a high-water mark, this means that Duration does not earn annual performance fees with respect to an Investor in such Fund if such Investor's year-end net asset value is lower than any prior year's net asset value, excluding any contributions or redemptions. In the case of certain Funds, in lieu of charging the regular management fee applicable to the relevant strategy, Duration has the potential to earn performance-based fees, typically in reference to a relevant benchmark index or hurdle rate.

### **Carried Interest**

A Fund's General Partner is generally expected to receive certain allocations and distributions calculated and charged based on a share of distributions of the assets of the Funds, as negotiated and determined at the time the Fund is established and as set forth in its Governing Documents. These allocations and distributions are commonly known as "carried interest." The General Partner generally will not receive carried interest until all Investors have received aggregate distributions equal to the sum of their capital contributions to the Funds and a preferred return on

such capital contributions. The carried interest distributed to a General Partner is subject to a potential clawback at the end of the life of a Fund if the Fund's General Partner has received excess cumulative distributions. A General Partner is generally expected to receive carried interest ranging from 15% to 20% of all distributions in excess of the Investor's capital contributions, provided that such Investors have first received a preferred return, typically 8% per annum.

## **Other Expenses**

Each Fund will bear all of its own expenses (ordinary and extraordinary), as more fully described in the relevant Governing Documents.

### *Organizational Expenses*

Each Fund will bear offering and organizational expenses incurred by the Fund (collectively "Organizational Expenses"), subject to certain limits. A Fund's share of any Organizational Expenses in excess of such limit will generally be paid by a Fund but borne by Duration through an offset to the management fee.

### *Fund Expenses*

Each Fund will typically bear all other out-of-pocket costs, fees, expenses and liabilities that are incurred by, or arise out of the operation and activities of or otherwise are related to, such Fund, including those incurred by a General Partner or Duration on behalf of or allocable to the relevant Fund, including: (a) costs, fees, expenses and liabilities relating to the sourcing, developing, evaluating, negotiating, structuring, acquiring, holding, administering, monitoring, financing, refinancing, managing, disposing and hedging investments (and proposed but unconsummated investments, as applicable) (including (i) costs and expenses incurred in connection with managing and facilitating stakeholder relationships and (ii) reasonable travel and related expenses associated therewith, which can include business or first class airfare and, in limited circumstances, private air travel (including reimbursement of Duration or its employees for use of aircraft owned or leased by them), in each case, consistent with Duration's travel policies, provided that such expenses do not exceed the cost of comparable business class airfare), including appraiser, retainer, finder, placement, adviser, consultant (including industry specialists), custodian, subcustodian, depositary, transfer agent, disbursal, brokerage, registration, legal and other similar costs, fees and expenses, in each case, to the extent that such costs, fees and expenses are not reimbursed by a portfolio company or other third person; (b) Bloomberg fees, research and software expenses, and other expenses incurred in connection with data services providing price feeds, news feeds, securities and company information, company fundamental data, and "S&P Index Alerts" attributable to such investments; (c) costs, fees and expenses for other third-party research, news, industry information, analytics and expert networks/research resources; (d) costs, fees and expenses for support services (including data processing, trading, settlement, client relations, accounting, legal and tax support and other services) outsourced to third party service providers; (e) legal, compliance, custodial, depositary, trading, settlement, client relations, auditing, accounting and banking costs, fees and expenses, including for example costs, fees and expenses attributable to legal, compliance, trading, settlement, client relations, accounting, reporting and information management software and systems used in connection with a Fund and its activities as well as those associated with the preparation of financial statements, tax returns and

Schedule K-1s, the filing of various foreign tax withholding and treaty forms and the representation of a Fund or its Partners by the tax matters partner or partnership representative; (f) appraisal and valuation costs, fees and expenses, including costs, fees and expenses of independent appraisal or valuation services or third-party vendor price quotations; (g) costs, fees and expenses related to organizing persons, including any alternative investment vehicle, through or in which investments may be made; (h) costs, fees and expenses that are classified as extraordinary expenses under generally accepted accounting principles; (i) premiums and fees for insurance to benefit, directly or indirectly, such entities, the holders of interests therein, Duration or a General Partner or any of their respective affiliates or their respective shareholders, partners, members, officers, directors, employees, and agents, with respect to liabilities to any person in connection with the affairs of such entities and for directors' and officers' liability insurance or other similar insurance policies, including errors and omissions insurance and financial institution bond insurance; (j) taxes and other governmental charges, fees and duties; (k) damages and other costs, fees and expenses relating to litigation or other matters that are the subject of the indemnification rights; (l) costs of reporting to regulatory and tax authorities in any jurisdiction in which a Fund, its General Partner, Duration or any portfolio company or other entity owned directly or indirectly by the Fund, invests, is organized or is marketed or otherwise directly or indirectly conducts business related to the Fund or investments, including, without limitation, the SEC, the Commodity Futures Trading Commission (the "CFTC"), the National Futures Association, the U.S. Treasury, the U.S. Internal Revenue Service (the "IRS") and other national, state, provincial or local regulatory and tax authorities in any country or territory (for example, Form PF and Form CPO-PQR in the United States and filings related to the offering of interests in particular jurisdictions to the extent applicable), provided that the costs of Duration's general compliance with the Advisers Act, such as preparation and updating of Form ADV, will be borne by Duration; (m) costs, fees and expenses of reporting to, or on behalf of, investors; (n) costs, fees and expenses of meetings of investors; (o) costs, fees and expenses relating to the incurrence and repayment of indebtedness (together with any interest and other amounts payable thereon and fees and expenses related thereto) of a Fund; (p) sales, leasing and brokerage commissions, development fees, loan servicing fees, custodial expenses and other costs, fees and expenses incurred in connection with investments; (q) expenses of a Fund's investors committee (including fees and expenses of independent legal counsel, accountants and financial and other professional advisors engaged by a Fund's investors committee with the consent of the General Partner); (r) costs, fees and expenses of winding up and dissolution; and (s) the allocable portion, as reasonably determined by a Fund's General Partner, of the costs (including compensation, benefits, and attributable overhead) incurred by Duration or its affiliates with respect to internal resources that provide any of the services described above to the Fund.

The allocation of any expenses described above to a Fund is expected to be documented by a Fund's General Partner and disclosed to a Fund's investors committee no less than on an annual basis. Certain expenses borne by the Funds are expected to have the effect of benefiting one or more Partners, or group of Partners, without benefiting all Partners. See the terms of a Fund's Governing Documents for a more detailed description of the expenses to be borne by a Fund.

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

As described under “Item 5: Fees and Compensation,” a Fund’s General Partner will generally be entitled to receive a carried interest or incentive allocation on certain profits of a Fund. The existence of performance-based compensation creates an incentive for a Fund’s General Partner to make more speculative investments on behalf of the Fund than it might otherwise make in the absence of such arrangement. Duration generally considers performance-based compensation to better align its interests with those of its Investors, particularly in instances where the relevant Governing Documents include terms requiring giveback of performance-based compensation under certain conditions. See “Item 8: Methods of Analysis, Investment Strategies and Risk of Loss” for further discussion of certain related conflicts of interest.



## **Item 7           Types of Clients**

Duration expects to provide investment advice to certain separately managed client accounts and pooled investment vehicles. References throughout this Brochure to “clients” and to Duration’s related duties to and practices on behalf of its clients should be construed accordingly.

The Funds generally include investment entities formed under U.S. or non-U.S. laws and operated as exempt from certain regulatory regimes, including the Investment Company Act of 1940, as amended (the “Investment Company Act”). Investors participating in the Funds are generally expected to include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities, including (as described in “Item 4: Advisory Business” above) Oaktree, the Principals and other employees of Duration and its affiliates and members of their families, operating partners or other service providers retained by Duration, as well as executives of the Funds’ portfolio investments.

Interests in the Funds are typically available only to “qualified purchasers” within the meaning of the Investment Company Act. Investors are expected to include qualified employee benefit plans subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and governmental plans or units that are subject to various state law restrictions, as well as tax-exempt organizations not subject to ERISA or any comparable state law, and other institutional and individual investors.

The minimum initial capital commitment generally required for an Investor in a Fund is \$10 million (subject to a General Partner’s discretion to accept a lesser amount).

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

In managing the Funds, Duration intends to employ methods of analysis and investment strategies suitable for each Fund's investment objective.

Consistent with Duration's investment philosophy, investments are typically made after thorough analysis and due diligence to assess the value of relevant assets and to determine a preferred strategy for acquiring an interest in the subject investment. Duration generally seeks to be active at the board of directors level of any investments, by providing strategic oversight and financial advice, and by drawing on Duration's extensive experience and network of industry contacts to help such investments recruit key personnel, refine product and market strategies, target key customers, and assess customer needs and competitive threats. In addition, from time to time, Duration and/or other industry specialist assume senior management roles at a portfolio investment on an interim basis. Although Duration does not ignore auctions as a source of transactions, Duration generally seeks privately negotiated transactions sourced through its established network of business relationships.

There can be no assurance that Duration will achieve the investment objectives of the Funds; investing in securities involves risk of loss that Duration's clients should be prepared to bear. More detailed descriptions of each Fund's investment methods of analysis and investment strategies are included in each Fund's Governing Documents.

### **General**

The Funds expect to invest in a variety of securities, obligations and financial instruments that carry inherent risks. These risks stem from the volatility of global equity, currency, and fixed income markets; sovereign, political, and macroeconomic uncertainties; the dangers of leverage; potential illiquidity of derivatives and other portfolio investments; and the possibility of losses due to counterparty defaults. The Funds plan to manage these risks through thorough research, continuous monitoring of investments, active participation in bankruptcy proceedings, and the use of appropriate hedging strategies. Despite these efforts, there is no certainty that the Funds' investments will grow in value or that significant losses can be completely avoided.

Prospective investors should carefully consider the risks involved with an investment in the Funds. The risks mentioned here are not exhaustive, and unforeseen or additional risks could arise in the future. Any such risk could have a significant adverse effect on investors.

Prospective investors are encouraged to seek advice from their legal, tax and financial advisors about the risks of investing in the Funds. Furthermore, all investors should confirm that they are making investment decisions based on guidance from their own advisors and not on any advice or recommendation from Duration or a General Partner.

### **Investment Environment**

The performance and availability of investments for the Funds are influenced by a multitude of factors. Economic conditions, market trends, interest rates, credit availability, inflation, legal changes and geopolitical events can all impact the Funds' success. These external factors, beyond

the control of Duration and its affiliates, could lead to volatility in security prices and affect the liquidity of the Funds' holdings, potentially resulting in losses.

The financial health of Duration could suffer from economic downturns and face various risks, including legal and reputational issues, which could negatively impact the Funds. Economic recessions, market slowdowns or downturns, particularly in the U.S. or globally, could harm the Funds' profitability. These conditions could hinder the performance of the Funds' portfolio companies and challenge the Funds' ability to exit investments profitably.

Leverage in portfolio companies can amplify losses. Economic issues in one country can increasingly impact others, potentially worsening global conditions and affecting the Funds' performance. Emerging markets vary in economic stability and government influence, which can affect investment outcomes.

Financial markets have faced extreme conditions, including bank failures and market volatility. Regulatory and monetary responses have been significant, yet markets remain unstable. The Funds could be adversely impacted by these conditions, which could be compounded by events like the COVID-19 pandemic.

Future regulations could restrict the Funds' activities and alter capital market operations. The Funds could struggle to preserve asset value, generate returns, or manage risks effectively. Market disruptions, particularly in U.S. and European debt markets, could reduce demand for securities and affect the Funds' investments.

Duration and the Funds' portfolio investments, which often rely on corporate debt markets, could be impacted by credit market disruptions. Defaults could lead to capital and profit losses for the Funds. The uncertain financial market environment poses risks for financial services companies and could lead to a broader economic downturn, affecting the Funds' investments and limiting their ability to sell assets at favorable prices or achieve investment objectives. New regulations in response to these challenges could further limit the Funds' activities and opportunities.

### **Absence of Regulatory Oversight**

Although Duration is registered as an investment adviser under the Advisers Act, the Funds are not required and do not intend to register as investment companies under the Investment Company Act and, accordingly, Investors are not afforded the protections of the Investment Company Act.

### **Business and Regulatory Risks of Alternative Asset Funds and Managers**

Legal, tax and regulatory changes could negatively impact the Funds at any time. The environment for alternative investment funds is changing, with potential revisions to laws and increased scrutiny from politicians, regulators and commentators possibly affecting the Funds' investment strategies, leverage, financing and investment values. Increased regulation has been proposed in various jurisdictions, including the U.S., U.K. and the E.U., but future regulatory changes are unpredictable. Compliance with new laws and regulations could be financially challenging for the Funds and their affiliates, and any restrictions on investment strategies could materially impact the Funds' performance.

The Funds will incur compliance costs if subject to regulation in the U.S., U.K., the E.U., or elsewhere. Duration, as an investment adviser registered under the Advisers Act, must adhere to reporting and compliance obligations, which have become more burdensome and costly following the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010 (the “Dodd-Frank Act”) and increased SEC scrutiny. Additional regulatory burdens could further increase expenses and reduce investor returns, potentially affecting the Funds’ ability to meet investment objectives.

Legislative changes in the U.S. and global market volatility could unpredictably affect the Funds. Market regulations and emergency powers of regulatory bodies like the SEC and CFTC could also lead to potential losses for the Funds. The evolving regulation of derivatives could negatively impact the value of the Funds’ investments and their trading strategies.

The Funds, their General Partner and Duration could face regulatory examinations, inquiries and proceedings, which could involve information requests or subpoenas related to specific or industry-wide practices. The costs of responding to these regulatory demands could be borne by the Funds and could disadvantage them if sensitive business information must be disclosed.

### ***Investment-Related Risks***

#### **General**

Infrastructure assets are often highly illiquid and only attractive to a limited number of investors due to their unique location and market characteristics. The Funds face numerous risks in infrastructure investments, including construction, environmental, regulatory, operational, economic, and financial risks, typically without the project sponsor’s general credit support. The Funds might invest in early-stage projects, which carry the risk of failing to secure necessary approvals, permits, financing, equipment and contracts in a timely manner.

Additionally, the Funds are exposed to sector-specific risks such as ineffective or inefficient technology, equipment failures, fuel supply issues, loss of contracts, fluctuating power or fuel prices, bankruptcy or defaults by key parties, tort liability, changes in infrastructure company values, labor and employment challenges, and political and regulatory shifts that could hinder buying or selling investments advantageously. These events could materially and negatively affect the Funds and their investments. There is no guarantee that the Funds’ investment projects will be profitable, generate sufficient cash flow to service debt, or provide a return on investment.

#### **Government Contract Risk**

The Funds face risks when investing in assets governed by lease or concession agreements with governmental authorities (whether at the national, state, local, district or other level), as these authorities might not fulfill their long-term obligations. These agreements often favor the government and can limit the Funds’ ability to optimize cash flows and profitability. They could include termination clauses that allow the government to end the agreement without fair compensation. Additionally, government discretion in regulation and political influences can lead to decisions that negatively impact the Funds’ investments, especially since infrastructure assets typically offer essential services with little competition.

## **Political Risks**

The Funds' asset operations can be impacted by sovereign or political risks, including regime changes, wars, riots, strikes, blockades, travel embargoes, pandemics and acts of terrorism, which can all reduce infrastructure revenue. Terrorist attacks or related military actions could disrupt the Funds' service provision, harming earnings and profits. Government actions or lack thereof can significantly influence economic and market conditions, indirectly affecting the Funds' investment performance. Government approvals for private transactions can vary in processing time across jurisdictions. Additionally, governments might implement trade barriers, exchange controls, currency adjustments or protectionist measures, potentially retroactively, which could negatively affect the Funds' asset performance. Changes in government could lead to regulatory shifts, creating uncertainty for the Funds' investments and potentially harming their interests.

## **Commodity Price Risk**

Some of the Funds' investments are exposed to commodity price risk, particularly the prices of electricity and fuel, such as natural gas. The operation and cash flows of these assets largely depend on market prices for these commodities, which can fluctuate significantly due to factors like weather, supply and demand dynamics, force majeure events, legal or regulatory changes, availability and cost of alternative energy sources, international politics, actions by oil and gas producing countries, and general economic conditions.

## **Capital Expenditures**

There is a risk that unforeseen factors, such as supplier problems or increases in the prices of materials and services, could require capital expenditures in excess of forecasts, and a risk that new or additional regulatory requirements, safety requirements, issues related to asset quality and integrity or adverse weather or environmental conditions could result in the need for additional capital expenditure for refurbishment, reinforcement (including weather hardening) or replacement of infrastructure assets. While the Funds intend to reasonably ensure that their purchased assets are in good condition and appropriate ongoing maintenance is provided for, no guarantee can be given that capital expenditures in excess of the anticipated levels will not be required.

## **Operational and Technical Risks**

The Funds' investments in infrastructure assets are exposed to operational and technical risks such as mechanical failures, spare parts shortages, underperformance, inefficiency, increased supply costs, disruptions in pipelines or offtake, power outages and labor issues. Although the Funds aim to invest where reliable third parties manage these risks, there is no guarantee that these risks can be fully mitigated or that these parties will fulfill their obligations. Operational failures could result in the loss of essential licenses, concessions or contracts. Moreover, the long-term profitability of these assets relies on efficient operations and maintenance, and any shortcomings in the capabilities of operating companies could diminish investor returns.

## **Environmental Risks**

The Funds could incur significant environmental liabilities from their investments. In some non-U.S. countries, historical environmental regulations have been lacking, leading to pollution. The legal framework for environmental liability in these countries is often not well-established, making potential abatement costs uncertain during investment consideration. The Funds might consult environmental experts to assess potential investments' conditions. However, the Funds or their invested companies could be deemed an owner or operator of properties and therefore liable for the costs of removing or remediating hazardous substances, including asbestos, which can exceed property values. These costs could include government fines and damages for injuries. The presence of hazardous materials or inadequate remediation can also reduce the property's value.

## **Banking System Volatility**

Duration, the Funds' General Partners, the Funds, and various portfolio investments hold most of their cash and equivalents with major financial institutions, potentially exceeding insured limits. The collapse of any such financial institutions could affect the availability of financial services and increase costs, hinder transaction execution, and divert attention from investment strategies. These events could also heighten counterparty risk and lead to regulatory reforms, adding administrative burdens and costs, all of which could negatively impact the value the Funds' investments.

## **Russian Invasion of Ukraine**

On February 24, 2022, Russia launched an invasion into Ukraine, prompting sanctions from the U.S., U.K., E.U., and other countries targeting the Russian financial system. These sanctions and commitments to restrict certain Russian banks from international payment systems could negatively impact the global economy and business activities, potentially harming the performance of the Funds' investments. The ongoing conflict, including Russia's heightened nuclear alert and potential cyberwarfare, creates significant uncertainty and risk, making it challenging to predict the overall impact on global economic conditions and the Funds' investment performance and objectives.

## ***Risks Related to an Investment in a Fund***

### **Lack of Independent Operating History**

The principals and employees of Duration formerly executed an Infrastructure Investing strategy for Oaktree, specializing in the transportation sector, until the group was spun out as Duration in 2024. Accordingly, although the investment professionals of Duration have extensive investment experience, including experience working together, the team did not work collectively as an independent asset management team prior to the establishment of Duration. And certain of the General Partners and the Funds are or will be newly formed entities that have not commenced operations. Such Funds will be subject to all business risks and uncertainties associated with any new fund, including the risk that a Fund will not achieve its investment objectives and that the value of interests in the Fund could decline substantially. There is no guarantee that the Funds will be able to implement their investment strategies and investment approaches or achieve their investment objectives or that a Limited Partner will receive a return of its capital.

## **Suitability of an Investment in the Funds**

Investing in the Funds is only suitable for sophisticated investors who can understand and are willing to bear the risks and illiquidity inherent in such an investment. Investors should seek advice from professional advisers to evaluate the legal, tax, accounting and financial implications specific to their situation and financial status. The Funds require a long-term commitment with no guarantee of achieving investment objectives or capital return. Investors should be prepared for the possibility of a total loss of their investment.

## **Potential Lack of Diversification**

Duration is not obligated to diversify the Funds' investments beyond each Fund's investment limitations, and it has the discretion to allocate capital as it sees fit, aiming to maximize returns. Investors have no guarantee of investment diversification or geographic spread. This lack of diversification means the Funds could face losses larger than general market declines if their specific investments perform poorly. The Funds' value could fluctuate more than if they were widely diversified across companies, industries and securities. Concentration in a particular issuer, security, asset class or region makes the Funds more vulnerable to the impact of specific corporate, economic, political, or regulatory events. Poor performance in any of the investments could significantly harm the overall returns for Limited Partners.

## **Risks of Third-Party Service Providers**

The Funds and Duration rely on third-party service providers for certain operations, and they cannot always verify the risks or reliability of these third parties. The Funds could experience negative outcomes due to third-party actions, errors or inactions, with limited ability to seek recourse. The costs, fees and expenses from these third-party services are typically covered by the Funds, increasing the expenses for Limited Partners.

## **Capital Calls and Use of Subscription Lines and Asset-Backed Facilities**

The Funds and their subsidiaries will, in certain cases, be permitted to utilize credit facilities or borrowing arrangements, securing them with the Funds' portfolio assets or the Partners' unfunded capital commitments. Each respective General Partner can pledge these commitments and assets as collateral for financing and delegate to lenders the right to issue drawdown notices, enforce remedies against non-compliant Limited Partners, and treat them as defaulting partners.

Credit facilities could involve joint liability among the Funds, parallel funds and separate accounts, with indemnification agreements in place. Limited Partners might need to acknowledge their debt obligations up to their unfunded commitments, limiting their ability to use Fund interests as collateral or transfer them.

Limited Partners may have to confirm their capital contribution obligations, fund payments directly to the Funds' account, and execute documents to secure lenders' interests in their commitments. They might also need to waive claims against their commitments and subordinate any claims against the Funds to the lenders' rights.

Furthermore, Limited Partners could be required to provide due diligence information to lenders and take actions deemed necessary by the General Partner to secure and maintain credit facilities. The General Partner can waive these requirements for some Limited Partners, potentially affecting the Funds' credit terms.

Capital calls can be consolidated into larger, less frequent requests, with interim needs met through borrowing. Costs associated with these borrowings will be Fund expenses and reduce net returns.

### ***Conflicts of Interest***

#### **Allocation of Investment Opportunities**

Duration and its affiliates manage various Funds and accounts, leading to actual conflicts of interest due to overlapping investment objectives and interests. Investments suitable for one Fund could be more fitting for another, affecting allocation decisions. Duration typically decides which Funds will participate in opportunities based on a variety of factors such as investment objectives, strategy, risk profile, tax sensitivity, and regulatory considerations. For example, a new Fund could acquire a larger share of investments initially. Funds are typically permitted to invest with other Funds advised by Duration, as outlined in the respective Governing Documents and Duration's allocation policy.

Duration has the authority to allocate investment opportunities, even when conflicts exist, provided such allocations are made in subjective good faith or as otherwise provided in the relevant Governing Documents. Differences in management fees, carried interest, incentive fees, and liquidity terms across Funds create economic incentives that could influence investment allocations.

In the event of an actual conflict, a Fund's General Partner will act to prevent or mitigate the conflict. Limited Partners, by acquiring interests in a Fund, acknowledge these conflicts. Duration reserves the right to invest in various levels of the capital structure of companies where it already holds investments, provided it deems such investments in the best interests of the relevant Funds and the potential for conflict is minimal or manageable. If conflicts arise, Duration reserves the right to take actions to align interests or reduce adversity, which could inadvertently benefit Duration.

When multiple Funds have the opportunity to invest in the same transaction or company, conflicting interests will occasionally arise. Duration will seek to manage these conflicts in good faith, consistent with its duties to the Funds. Duration is committed to managing all conflicts in the best interests of the Funds and their Limited Partners, adhering to its fiduciary responsibilities.

#### **Other Side-by-Side Investments and Separate Investment Vehicles**

Duration will from time to time encounter investment opportunities suitable for multiple Funds or other investment vehicles it operates. If an investment exceeds what is appropriate for the participating Funds, Duration reserves the right to offer the excess to co-investors, including third parties, based on factors like co-investment interest, industry expertise, transaction execution ability, legal considerations, confidentiality, and relationship potential with the investment or Duration.



Co-investment opportunities are typically offered selectively, and not all interested investors will receive them. Allowing co-investments reduces the share a Fund might otherwise take, presenting conflicts of interest. Duration will often need to balance investor appeal, fee structures, and restrictions in a Fund's Governing Documents when allocating co-investments.

Duration seeks to manage these conflicts in good faith to treat clients fairly and equitably over time. However, there is no guarantee that the terms of any allocation will be as favorable as if no conflicts existed.

Duration reserves the right to manage separate accounts with strategies parallel to the Funds, potentially offering different terms to those clients, such as fee structures and reporting rights. These clients could, from time to time, receive information allowing them to make investment decisions not available to other investors, including Limited Partners, which could impact the market value of a Fund's investments.

### **Transactions with Affiliates**

Subject to applicable law, a Fund's Governing Documents will typically permit a Fund to engage in transactions where the Fund's General Partner, Duration, or any of their respective affiliates, members, officers, directors, employees, principals, or Limited Partners have a direct or indirect interest. In such transactions, conflicts of interest are expected to arise between the Funds and the aforementioned parties. Duration has adopted policies and procedures designed to mitigate associated conflicts of interest.

A Fund's Governing Documents typically allow its General Partner, Duration, and their respective affiliates, employees, officers, directors, principals, or members to trade securities or commodity interests for their own accounts. Trading records of General Partners, Duration, or their respective affiliates, employees, officers, directors, principals, or members are not accessible for inspection by Limited Partners. Moreover, these individuals and entities might take investment positions that are different from or contrary to those of the Funds, provided such actions comply with Duration's code of ethics.

A Fund's General Partners will from time to time require approval from a Fund's investors committee to proceed with certain transactions involving affiliates. Should an investors committee withhold its consent, the Fund could be unable to complete potential investments, potentially affecting its performance adversely.

### **Limited Partner Investors Committee**

The investors committee of a Fund serves as a representative for Limited Partners on specific matters detailed in a Fund's Governing Documents. This includes addressing certain conflicts of interest and providing consent for affiliate transactions, Advisers Act 'assignments,' or other requests from the Fund's General Partner. However, the interests of the investors committee will not necessarily align with those of all Limited Partners.

The investors committee also will not necessarily have expertise in all areas it oversees, and its decisions could impact a Fund's performance negatively. Additionally, members of the investors committee will likely have separate relationships with Duration or others that could create conflicts

of interest. These conflicts do not automatically prevent them from making decisions or giving consent on matters presented to them.

Members of the investors committee and certain related individuals are typically indemnified by a Fund for actions taken in their committee role, except in specific situations outlined in the Governing Documents. It is also important to note that the investors committee is not generally subject to a fiduciary duty to a Fund or its Limited Partners.

### **Duration Management; Investment Committee; Board**

Duration's investment committee (the "Investment Committee") reviews and makes investment and operational decisions for the Funds and the Funds' underlying assets and portfolio companies. The Investment Committee will include such individuals as Duration designates from time to time, but for so long as Oaktree remains a partner of Duration in good standing, the Investment Committee will include two representatives designated by Oaktree. Oaktree's interests (economic or otherwise), at times, will not be aligned in whole or in part with those of Duration. In connection with Fund matters brought to the Investment Committee, Oaktree will consider its own interests without, to the extent permitted by law, any duty or obligation to consider or act in the interests of any other Limited Partner, the General Partner or any other person. Although Oaktree will have representation on the Investment Committee, the Principals and other members of the Investment Committee designated by Duration will, collectively, control decision-making by the Investment Committee on behalf of the Funds, and the Oaktree representatives will not independently have the authority or ability to cause the Investment Committee to act in a specific manner or to veto or block any actions by the Investment Committee. To address these conflicts, Duration will adopt policies and procedures designed to mitigate these competing interests.

Duration's board (the "Board") makes certain material decisions regarding Duration's operations and activities and provides advice and recommendations to Duration upon request. The Board will include such individuals as Duration designates from time to time, but for so long as Oaktree remains a partner of Duration in good standing, the Board shall include one representative designated by Oaktree. Other than in specifically enumerated circumstances as agreed between Oaktree and Duration, the Board will not have any control over the operations of Duration or be entitled to take any actions on behalf of, or otherwise bind, Duration, and general authority and control over Duration will remain vested, directly and indirectly, with the Principals. The members of the Board will not have the same interests as the Funds or the Limited Partners, and no member of the Board will owe any duty to the Funds or any Limited Partner in such capacity and are expected to act in good faith in a manner such member believes to be in the best interests of Duration. Separate from its ability to designate members of the Board and Investment Committee, and for so long as it remains a partner of Duration in good standing, Oaktree will also have certain consent rights over specific actions that could be taken or recommended by Duration, some of which will directly or indirectly affect Duration's and the Principal's abilities to take certain actions with respect to the Funds without Oaktree's consent to the extent such actions could be adverse to Oaktree's indirect interests therein. Oaktree's interests with respect to exercising such consent rights will not always be aligned with, and could be adverse to, those of Duration or the Funds, and Oaktree's exercise of such consent rights, including as a result of refusing to grant a consent, could materially and adversely impact the Funds. To address these conflicts, Duration will adopt policies and procedures designed to mitigate these competing interests.

## **Diverse Investor Group**

The investors of a Fund could have conflicting interests regarding their investments, which could differ from those of investors in other Funds, Duration, and accounts managed by a Fund's General Partner and its affiliates. Conflicts can stem from investment decisions, acquisition structures, and the timing of sales, potentially benefiting some investors over others, particularly in tax implications. Additionally, a Fund's investment could negatively affect other investments by Limited Partners. A Fund's General Partner will prioritize the collective objectives of its Fund and its Partners, rather than individual investor interests. Conflicts are also expected among Limited Partners concerning redemption requests and decisions on liquid asset availability to fulfill these requests.

## **Difficulty in Valuing Investment Portfolio**

Valuing assets in the Funds' portfolio investments can be challenging due to the lack of an established market, making valuations subjective and imprecise. These valuations often require costly and time-consuming techniques that only provide estimated values. Portfolio companies might not follow U.S. GAAP, complicating valuations and comparisons. A Fund's General Partner typically consults with accounting firms, investment banks, and other third parties for assistance, but information for some portfolio investments might not be available. Valuations of illiquid securities are inherently subjective and risky, as the data used could be inaccurate. The value of portfolio investments is also influenced by changes in accounting standards, economic, political, regulatory, and market conditions, and the operations of the investments themselves, all of which are unpredictable and affect valuation reliability. The determined value, in certain instances, will not reflect the actual amount received upon investment disposition, and there is no guarantee of realizing the assessed value immediately.

## **Side Letters**

Subject to applicable law and each Fund's governing documents, Duration expects to enter into arrangements with certain Limited Partners that have the effect of altering or supplementing Fund terms of such Limited Partners, including with respect to waivers or reductions of the management fee or the incentive allocation, access to portfolio information, rights to make withdrawals and circumstances under which withdrawals could be required.

Side letter agreements give rise to conflicts of interest. For instance, preferential terms granted to one or more Limited Partners could potentially affect the interests of other Limited Partners. For example, side letters that provide for excuse rights, regulatory, tax or other factors that alter or limit a Limited Partner's participation in investments or ability to bear certain liabilities or obligations could result in a proportionately higher expense burden on other Limited Partners, and side letters that offer special withdrawal rights could impact the liquidity profile of a Fund to the detriment of other Limited Partners.

Investors should be aware that side letter agreements are not uniformly available to all investors and are typically entered into at the discretion of Duration based on various factors, including the size of the investment, the relationship with the investor, and other considerations deemed relevant by Duration. Certain such additional rights are permitted to be elected by certain investors with

“most favored nations” rights pursuant to a Limited Partner’s side letter or a Fund’s limited partnership agreement.

Investors are encouraged to consult with their own legal and financial advisors regarding the implications of side letter agreements and to discuss any questions or concerns they may have with Duration.

**The foregoing risks and conflicts of interest do not purport to be a complete explanation of all the risks and potential conflicts of interest involved in acquiring interests in a Fund. Potential investors are urged to read this entire brochure and each Fund’s respective Governing Documents and consult with their own advisors before making a determination whether to invest in a Fund. In addition, as the Funds’ investment programs develop and change over time, an investment in a Fund could be subject to additional and different risk factors and conflicts of interest.**

**Item 9            Disciplinary Information**

Neither Duration, nor any of its executives nor either of the Principals have been involved in any investment-related criminal or civil actions in a domestic, foreign or military court, any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority, or any self-regulatory organization proceedings.

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

Duration serves as the adviser and manager to, and is affiliated with, the General Partners of the Funds. The General Partners of the Funds are and will be under common ownership or control with Duration. As disclosed in Item 4, Oaktree is expected to hold a minority interest in Duration and to retain its right to receive certain carried interest and incentive allocations that it otherwise would have received but for the Transaction. Additionally, certain Oaktree personnel serve on the Board and the Investment Committee. Duration will adopt policies and procedures designed to mitigate conflicts of interest associated with its relationship with Oaktree.

Duration and the General Partner intend to enter into a strategic agreement with Connor Capital SB, LLC (“Connor Capital”), a registered investment adviser with the SEC, related to transportation infrastructure investment opportunities. This relationship presents a conflict of interest in that depending on fees and other economic terms, investment opportunities could be presented to Connor Capital over Duration. Moreover, personnel that work for both Duration and Connor Capital will face competing demands and could have an incentive to favor one over the other. To address these conflicts, Duration will adopt policies and procedures designed to mitigate these competing interests.

Duration is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of Duration are registered representatives of a broker-dealer.

Neither Duration nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

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

Duration has established a code of ethics (the “Code of Ethics”) that sets forth standards of ethical conduct for our professionals. This Code of Ethics addresses standards for treating clients ethically, addressing conflicts of interest and governing personal trading by our firm and our affiliates. A copy of the Code of Ethics is available upon request. In addition, we have established policies and procedures that address, among other things, conflicts of interest that arise in the management of the Funds that we sponsor.

The Code of Ethics requires Duration personnel to (among other things):

- Report their personal securities transactions and holdings;
- Pre-clear certain transactions, including proposed purchases of initial public offerings or limited offerings; and
- Comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

When the strategic agreement noted in Item 10 is entered into, it will require Connor Capital and its employees to comply with Duration’s internal policies and procedures regarding information sharing and trading restrictions as set forth in Duration’s Code of Ethics and execute Duration’s standard form of non-disclosure agreement. In addition, Connor Capital’s employees must comply with all applicable U.S. state, U.S. federal and non-U.S. securities, anti-bribery/corruption and anti-money laundering laws, rules, and regulations, as well as such rules and procedures of Duration’s Compliance Department. Connor Capital provides quarterly certifications of such compliance to Duration, as requested. Overall, Josh Connor is responsible for ensuring that the employees of Connor Capital comply with these provisions, among others noted in the strategic partnership agreement.

Duration policies prohibit our employees from purchasing or selling, directly or indirectly, any security while in possession of material, non-public information regarding the security, whether this information was obtained in the course of employment. Duration maintains and periodically updates a restricted list of securities and has access to Connor Capital’s restricted list of securities to reflect actual or potential investment activities or other receipt of potential material non-public information. “Access persons” are also prohibited from investing in securities listed on Duration’s and Connor Capital’s restricted lists without prior approval by the CCO. In appropriate circumstances the CCO grants waivers to the Code of Ethics’ restrictions. Duration employees are also restricted in their ability to discuss material, non-public information with third parties.

Duration employees and control persons must certify annually that they have read and agree to comply in all respects with our Code of Ethics and that they have disclosed or reported all personal securities transactions, holdings and accounts required to be disclosed or reported by our Code of Ethics. Any Oaktree or Connor Capital personnel deemed “access persons” (as described above) will be required to make the same or similar certifications.

As noted in Item 10 above, pursuant to the Governing Documents of the Funds, in connection with any Fund investment where the transaction requires or permits a larger investment than appropriate for the Fund, Duration can in its sole discretion (but shall not be required to) offer to certain

Investors the opportunity to co-invest with the Funds, in addition to any allocation required by the strategic agreement with Connor Capital. Employees are expected to be offered the ability to participate in co-investment opportunities but generally are not expected to receive special benefits.



## **Item 12            Brokerage Practices**

Duration intends to provide discretionary investment advice to the Funds and does not have an active brokerage relationship due to the type of investments made by Duration for the Funds.

When publicly traded securities are the subject of a trade and there is a broker selection opportunity, Duration will endeavor to select a broker or other counterparty on the basis of best execution and in consideration of various factors deemed relevant or appropriate, including, without limitation: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker; (iv) the broker's risk in positioning a block of securities; and (v) the competitiveness of commission rates in comparison with other brokers satisfying other selection criteria. Duration is permitted to cause the Funds to pay higher commissions to brokers believed to offer superior service under the circumstances, including brokers that provide investment research and analysis to the Funds.

Duration does not intend to use soft dollars generated by the Funds to pay for research and/or related services provided by brokers.

Investment opportunities generally are allocated in accordance with the provisions set forth in the Governing Documents of the Funds.

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

The investment committee will monitor each portfolio investment on an ongoing basis to ensure compliance with its stated objective. The investment committee will also review the valuations of the Fund's investments that are non-marketable securities.

The Funds will furnish audited financial statements, a statement and summary of all portfolio investments and tax information necessary for the completion of United States tax returns to all Investors, each within 120 days after the end of each fiscal year, or as soon as reasonably practicable thereafter (and subject to reasonable delays in the event of the late receipt of necessary financial statements or other information from any person in which each Fund holds an investment), commencing, in the case of audited financial statements and statements and summaries of portfolio investments, with the first fiscal year in which each Funds makes a portfolio investment.

Each Investor will also be furnished with the unaudited financial statements of the Funds within ninety (90) days after the end of the first three fiscal quarters of each fiscal year, or as soon as reasonably practicable thereafter (and subject to reasonable delays in the event of the late receipt of necessary financial statements or other information from any person in which the Fund holds an investment), commencing with the first fiscal quarter in which a capital call notice is issued to the Partners.

In addition to the information provided to the Fund's Investors, certain Investors receive additional information or more frequent reports that other Investors will not receive.

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

Duration is entitled to receive certain economic benefits from non-clients. For example, to the extent Duration facilitates transactions on behalf of our clients, we are permitted to receive fees from portfolio investment in which our clients are invested. Examples of such fees include: Transaction; monitoring fees; investment banking, underwriting, and/or syndication fees; break-up fees; and/or directors' fees (including in-kind compensation). A portion of any such fees will generally reduce the management fees payable by a Fund and its Investors. The Governing Documents of each Fund set out the terms of these arrangements.

Duration reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential limited partner becoming a Limited Partner in a Fund. Any fees and expenses payable to any such third parties generally will be borne by Duration indirectly through an offset against a Fund's management fee under the relevant Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

## **Item 15        Custody**

Duration will have access to the Funds' assets and authority to deduct fees and other expenses from the Fund's account and will thus be deemed under Rule 206(4)-2 of the Advisers Act to have custody of the Fund's funds.

The Funds' assets will generally, with certain exceptions, be held by a qualified custodian. In accordance with Rule 206(4)-2, Duration also intends to (1) engage an independent public auditor to conduct annual audits of the Funds, and (2) distribute audited financial statements of the Funds that are prepared in accordance with United States generally accepted accounting principles to all Investors in the Funds within at least one hundred twenty (120) days after the end of the fiscal year. Qualified custodians are not expected to provide account statements directly to Investors in the Funds.

## **Item 16            Investment Discretion**

Subject to certain limitations, the General Partner and Duration expect to have full and exclusive authority to manage the business and affairs of the Funds and to be responsible for making all decisions relating to investments and dispositions by the Funds, subject to the terms and conditions of the applicable Governing Documents. Despite this broad authority, Duration expects to enter into side letter arrangements with certain Limited Partners whereby the terms applicable to such Limited Partners' investments in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

## **Item 17        Voting Client Securities**

Duration has established proxy voting policies and procedures and related voting guidelines that apply to the Funds. These policies, procedures and guidelines are reasonably designed to ensure that proxies are voted in a manner that is consistent with securities laws and in the best interests of the Funds.

While proxy voting on all issues presented should be considered, voting on all issues is not required. Some issues presented for a proxy vote of security holders are not deemed relevant to Duration's voting objective, or it is not reasonably possible to ascertain what effect, if any, a vote on a given issue could have on a Fund's investment. Additionally, Duration could decide that avoiding further expense and investigation and not voting at all on the presented proposal could be in the best interest of the Funds. Accordingly, Duration reserves the right to abstain from voting in certain circumstances. A copy of Duration's voting policy will be provided to any client, prospective client or any investor in Fund upon request to Duration's CCO at (917) 209-6781. Information regarding how the Adviser voted proxies for specific portfolio companies or investments will be provide to any client, prospective client or investor in the Funds upon request.

**Item 18        Financial Information**

Currently, Duration and its affiliates are not aware of any financial condition that is likely to impair Duration's ability to meet its contractual obligations and commitments to clients, including the Funds. Duration has never been the subject of a bankruptcy petition.