

# LS POWER EQUITY ADVISORS, LLC



1700 Broadway, 35<sup>th</sup> Floor  
New York, New York 10019  
[www.lspower.com](http://www.lspower.com)

212.615.3456

**PART 2A OF FORM ADV  
(THE “BROCHURE”)**

**March 2024**

This Brochure provides information about the qualifications and business practices of LS Power Equity Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 615-3456. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

LS Power Equity Advisors, LLC is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information about LS Power Equity Advisors, LLC is available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 – MATERIAL CHANGES

LS Power Equity Advisors, LLC filed its most recent Form ADV Part 2 in March 2023. Since the last annual updating amendment, the Management Company has added disclosures in: (i) Item 4 to include new feeder funds, which are clients of the Management Company; (ii) Item 8 to include updates to certain risk disclosures; and (iii) Item 10 to update disclosures regarding certain affiliates of the Management Company.

## ITEM 3 – TABLE OF CONTENTS

ITEM 1 – COVER PAGE .....	1
ITEM 2 – MATERIAL CHANGES .....	2
ITEM 3 – TABLE OF CONTENTS .....	2
ITEM 4 – ADVISORY BUSINESS .....	2
ITEM 5 – FEES AND COMPENSATION .....	4
ITEM 6 – PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	6
ITEM 7 – TYPES OF CLIENTS .....	6
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	7
ITEM 9 – DISCIPLINARY INFORMATION .....	33
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	33
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	41
ITEM 12 – BROKERAGE PRACTICES .....	42
ITEM 13 – REVIEW OF ACCOUNTS .....	43
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION .....	43
ITEM 15 – CUSTODY .....	44
ITEM 16 – INVESTMENT DISCRETION .....	44
ITEM 17 – VOTING CLIENT SECURITIES .....	44
ITEM 18 – FINANCIAL INFORMATION .....	45

## ITEM 4 – ADVISORY BUSINESS

LS Power Equity Advisors, LLC (the “Management Company”) manages assets on a discretionary basis on behalf of private pooled investment vehicles. The Management Company operates as a single advisory business together with its affiliated general partners (each a “General Partner” and together with the Management Company and their affiliated entities, “LSPE” or the “Company”). This Brochure also describes the business practices of the General Partners.

LSPE presently provides investment advisory services to LS Power Equity Partners III, L.P., LS Power Fund III Feeder 1, L.P., LS Power Fund III Feeder 2, L.P., LS Power Fund III Feeder 2B, L.P., LS Power Fund III Feeder 3, L.P., LSP Members Fund III Feeder, L.P. (together, “Fund III”), LS Power Equity Partners IV, L.P., LS Power Fund IV Feeder 1, L.P., LS Power Fund IV Feeder 2, L.P., LSP Members Fund IV Feeder, L.P., LS Power Fund IV Feeder II AIV, L.P., and LS Power Equity Partners IV AIV, L.P. (together, “Fund IV”), LS Power Equity Partners V, L.P., LS Power Fund V Feeder 1, L.P., LS Power Fund V Feeder 1A, L.P., LS Power Fund V Feeder 2, L.P., and LSP Members Fund V Feeder, L.P. (together, “Fund V,” and collectively with Fund III and Fund IV, the “Funds”).

The Funds are private equity funds that invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” LSPE’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Where such investments consist of portfolio companies, from time to time, the senior principals or other personnel of LSPE or its affiliates will serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant limited partnership agreement; such arrangements generally do not and will not create an adviser-client relationship between LSPE and any investor. The Funds or the General Partners reserve the right to enter into side letters or other similar agreements with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant limited partnership agreement with respect to such investors.

Additionally, from time to time, LSPE reserves the right to provide (or agree to provide) certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, LSPE’s personnel and/or certain other persons associated with LSPE and/or its affiliates (to the extent not prohibited by the applicable limited partnership agreement), co-investment opportunities (including the opportunity to participate in co-invest vehicles) that will invest in certain portfolio companies alongside a Fund. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in LSPE’s sole discretion, LSPE reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions) to compensate the relevant Fund for the holding period, and to seek reimbursement to the relevant Fund for related costs. To the extent that any such transaction is a principal or cross transaction, LSPE will comply with the Advisers Act and its internal policies and procedures regarding principal and cross transactions.

As of December 31, 2023, LSPE’s regulatory assets under management were approximately \$8,996,300,000. LSPE was formed in 2004 and is principally owned and controlled by LSP Generation IV, LLC (“LSP IV”). LSP IV is owned and controlled by LS Power Associates, L.P. (“Associates”). Associates is controlled by its general partner, LS Power Development, LLC, which is principally owned by Paul Segal and Theodore Segal and controlled by its manager, Mikhail Segal. LS Power Capital, L.P. (“Capital”) indirectly owns and controls the majority of Associates’ economic interests in LSP IV. Capital is controlled by its general partner, Segal Management, LLC, which is principally owned by Paul Segal and Theodore Segal and controlled by its manager, Mikhail Segal.

Please refer to the Funds’ governing documents for more detailed information regarding the topics discussed in this Brochure.

## ITEM 5 – FEES AND COMPENSATION

The management fees are equal to 1.5% of the aggregate commitment of each investor, which fees are generally deducted directly from each of the Funds' assets. Following the commitment period of a Fund, the Management Fee is typically subject to reduction, often calculated as a percentage of capital contributions. LSPE reserves the right to elect to waive all or any portion of such management fees. The Funds pay LSPE a management fee on a quarterly basis in advance. Upon termination of any advisory agreement or mandatory withdrawal, management fees that have been paid in advance are returned on a prorated basis. The governing documents of each Fund include a more detailed explanation of the amount and manner of calculation of the management fees for each such Fund. Where the governing documents calculate management fees based on the amount of commitments or the amount of investment contributions, the amount of management fees generally will not be reduced based on reductions in investment value, except where specified by the relevant governing documents. As a general matter, management fees will be payable during term extensions unless otherwise agreed with investors.

LSPE or an affiliate of LSPE is also entitled to receive a distribution from each Fund typically equal to 20% of all realized profits subject to an 8% compound preferred return ("Carried Interest"), as more fully described in the Funds' respective governing documents. Any distributed Carried Interest is subject to a potential giveback at the end of the life of the relevant Fund if LSPE or its affiliate has received excess cumulative distributions.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the relevant limited partnership agreement, over the term of the relevant Fund and investors generally are not permitted to withdraw or redeem interests in the Funds.

The Funds are responsible for their initial and ongoing fees, costs, expenses, liabilities and obligations associated with their (and their subsidiaries' and intermediate entities') operations to the extent not reimbursed by a portfolio company or applied to reduce management fees, including, without limitation, organizational expenses, brokerage commissions, research expenses, quotation and valuation expenses, general legal expenses including legal fees associated with the negotiation of specific investor terms, accounting and auditing expenses, and investment-related consultants and other service provider expenses, investment related travel costs, insurance, expenses incurred with respect to the preparation, duplication and distribution of offering documents, annual reports and other financial information, other offering expenses, other operational expenses and extraordinary expenses. The Funds also are responsible for all transaction related expenses, whether or not the transaction is consummated, including fees and expenses of attorneys, accountants and consultants, as well as lenders, investment banks and other financing sources in connection with the arranging of financing for transactions, and any down-payments which are forfeited in connection with unconsummated transactions. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. Each Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to

the Fund's strategy, including in side letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the governing documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests.

Based on circumstances, LSPE has and may again in the future waive or agree to reduce a management fee (or Carried Interest). LSPE reserves the right to exempt certain investors in the Funds from payment of all or a portion of management fees and/or Carried Interest, including LSPE and any other person designated by LSPE. The General Partner reserves the right to make any such exemption from fees and/or Carried Interest by a direct exemption, a rebate by LSPE, or through other Funds which co-invest with a Fund. For example, in instances where an LSPE professional or its affiliate invests in a Fund, such professional or its affiliate generally will be exempt from payment of the management fee and Carried Interest with respect to such Fund. Additionally, to the extent permitted by the relevant limited partnership agreement, LSPE reserves the right to permit investors, affiliated with LSPE or otherwise, to invest through the relevant General Partner or other vehicles that do not bear management fees or Carried Interest. LSPE retains flexibility to structure its Carried Interest and management fees and typically calls capital for the management fees, while reducing the limited partners' distributions for carried interest.

In certain circumstances, one Fund will pay an expense or obligation common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Funds by their share of such expenses or obligations, without interest. While highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, LSPE, the relevant General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to LSPE's related policies and practices and the relevant limited partnership agreement(s) and/or side letter(s). Where a co-invest vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. If a proposed transaction in which a co-investment was planned is not consummated, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, no such co-investment vehicle generally will have been formed, and the full amount of any expenses associated with unconsummated transactions ("Broken Deal Expenses") would therefore be borne by the Fund or Funds that were to have participated in such proposed transaction, and not by any prospective co-investors. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle will bear its share of such Broken Deal Expenses. As a general matter, Broken Deal Expenses are allocated among Fund investors regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

LSPE and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other compensation ("Portfolio Company Fees") to a portfolio company and, if so, the rate, timing and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio

company's holding or operating structure. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and LSPE and/or its affiliates on the other hand. Any such compensation will be offset against management fees. Unless otherwise agreed with investors, Portfolio Company Fees generally will be payable without further offset during term extensions, even if management fees are reduced or eliminated during the extended term.

Certain other fees, including but not limited to director's fees, transaction, break-up or advisory fees, placement fees and organizational expenses in excess of certain thresholds, are also offset against management fees depending on the expense reimbursement terms of each Fund.

LSPE is responsible for all of its overhead costs and expenses, including office expenses and compensation of employees.

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

As described under "Fees and Compensation," LSPE or an affiliate of LSPE receives a Carried Interest from the Funds. Such arrangements have the potential to create an incentive for LSPE to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation.

The Carried Interest and all other fees charged by LSPE will be in compliance with Rule 205-3 of the Advisers Act. Economic arrangements may vary and are subject to the terms of the Fund. Additional information regarding fees and other expenses attributable to the Funds are addressed in their respective governing documents.

The payment of Carried Interest by some but not all Funds or the payment of Carried Interest at varying rates has the potential to create an incentive for LSPE to disproportionately allocate time, services or functions to Funds paying Carried Interest or Funds paying Carried Interest at a higher rate. This conflict is generally mitigated by investment terms restricting LSPE from establishing a new fund with substantially similar investment objectives to those of the existing Funds until the earlier of (1) the expiration of the Fund's commitment period, or (2) such time as at least 75% of the aggregate commitments of such Fund have been invested, committed to be invested or reserved. Any subsequently formed fund may have the right to co-invest with existing Funds. Nonetheless, LSPE's affiliates, including LS Power Development, LLC, Tiber Capital Partners, LLC, and Edge Principal Advisors, LLC, are not restricted from engaging in or managing projects in connection with ongoing development and asset management activities.

#### **ITEM 7 – TYPES OF CLIENTS**

LSPE provides investment advice solely to its clients that are unregistered pooled investment vehicles, and references throughout this Brochure to "clients" and to LSPE's related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds are structured as limited partnerships or similar legal entities which LSPE and its related parties control. The Funds rely on rules promulgated under the United States federal securities laws that exempt privately offered partnerships from registering as investment companies.

Generally, investors in the Funds must be (i) "accredited investors" within the meaning of Regulation D under the Securities Act of 1933, as amended, and (ii) "qualified purchasers" within the meaning of the

Investment Company Act of 1940, as amended (or qualified knowledgeable LSPE personnel). Prospective investors are generally required to meet additional suitability requirements. Investors considering investment in the Funds should consult with their own investment, tax and/or legal consultants prior to investing.

The minimum commitment that will be accepted from a new investor in the Funds is \$10,000,000. The General Partner of each Fund generally is permitted, in its sole discretion, to waive or reduce these minimums.

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

### **Investment Strategy**

LSPE's investment strategies generally focus on control-oriented private equity investments in the North American power industry, with a specific focus on acquiring power generation and energy infrastructure assets, as well as other power and energy-related assets, platforms, companies and related assets in the United States. The Funds' investments generally take the form of direct asset acquisitions, investments in the securities of power assets or companies that own power assets, and joint ventures or partnerships. The Funds have and may continue to acquire individual power plants, portfolios of power plants, independent power companies, power related assets or unregulated utility subsidiaries. LSPE's investment strategies also include seeking acquisition and/or development opportunities, such as those focused on (i) renewable generation; (ii) renewable fuels; (iii) battery energy storage; (iv) electrification infrastructure (e.g., transportation and/or building infrastructure); (v) distributed energy resources (e.g., demand response and microgrids); and (vi) their related value chains. Please refer to the Funds' governing documents for more detailed information regarding each respective Fund's investment strategy.

### **Risk Factors**

#### *Business Risks*

The Funds' investment portfolios will generally consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

#### *Future and Past Performance*

The performance of the principals' prior investments is not necessarily indicative of the Funds' future results. While the General Partners intend for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

#### *Fixed-Income Securities and Loans*

Subject to the limitations set forth in the Funds' limited partnership agreements, the Funds may invest in bonds or other fixed-income securities of U.S. and non-U.S. issuers, including, without limitation, bank debt, bonds, notes, debentures, and commercial paper, as well as derivatives thereon. Fixed-income securities pay fixed, variable, or floating rates of interest. The value of fixed-income securities in which the Funds invest will change in response to fluctuations in interest rates, including the risk that rising interest rates will lower the value of existing fixed income securities in which the Funds invest (i.e., interest

rate risk). In addition, the value of certain fixed-income securities and bank loans can fluctuate in response to perceptions of creditworthiness, foreign exchange rates, political stability or soundness of economic policies. Fixed-income securities and bank loans are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

To the extent that one or more borrowers default on a secured obligation held by a Fund, such Fund may receive equity issued by an entity reorganized through a bankruptcy or insolvency proceeding, or assets that such borrowers had pledged to secure such loans or obligations. Such assets may include real estate or other real assets, intellectual property rights, receivables, securities, other assets or direct or indirect interests therein. There is no guarantee that such assets will be liquid or of a value equivalent to the amount due and owing from the issuer or obligor of such defaulted obligation.

#### *Concentration of Investments*

The Funds will participate in a limited number of investments and intend to make most of their investments in one industry or one industry segment (i.e., the power and energy infrastructure industries and related assets) and may do so within a short period of time. As a result, the Funds' investment portfolios will become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect their aggregate returns. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds may invest in fewer portfolio companies and thus be less diversified.

#### *Lack of Diversification; Nature of Investments in the Power and Energy Infrastructure Industries*

The Funds will concentrate their investments in assets, equity and/or debt instruments of companies in the power and energy infrastructure industries and related assets, and will not be broadly diversified. These types of investments may be subject to a variety of risks, not all of which can be foreseen or quantified, including operating, economic, environmental, commercial, regulatory, political and financial risks, and may be more susceptible to risks resulting from changes imposed by regulatory initiatives than investments of a more broadly diversified fund.

#### *Lack of Sufficient Investment Opportunities*

The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. However, the Funds will be required to pay management fees during the commitment period based on the entire amount of the commitments and other expenses as set forth in the Funds' limited partnership agreements.

#### *Illiquidity; Lack of Current Distributions*

An investment in the Funds should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains, if any, on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Funds (including the management fees payable to the Management Company) may exceed their



income, thereby requiring that the difference be paid from the Funds' capital, including, without limitation, unfunded commitments. In addition, there can be no assurance that the Funds will have sufficient cash flow to permit them to make distributions in the amounts necessary for the investors to pay all tax liabilities resulting from the investors' ownership of limited partner interests in the Funds. Furthermore, infrastructure investments by their nature are subject to industry cyclicality, downturns in demand, market disruptions and the lack of available capital for potential purchasers and are therefore often difficult or time-consuming to liquidate.

### *Leveraged Investments*

The Funds make use of leverage by incurring, or having a portfolio company incur, debt to finance a portion of their investment in a given portfolio company or in respect of operating such portfolio company, including with respect to companies not rated by credit agencies. Leverage generally magnifies both the Funds' opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage generally will also result in fees, interest expense and other costs to the Funds that may not be covered by distributions made to the Funds or appreciation of their investments. The use of leverage also imposes restrictive financial and operating covenants on a portfolio company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Funds' investments to any deterioration in a portfolio company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Funds' investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Funds. Furthermore, should the credit markets be tight at the time the Funds determine that it is desirable to sell all or a part of a portfolio company, the Funds may not achieve an exit multiple or enterprise valuation consistent with their forecasts.

The Funds use credit facilities for the purchase or implementation of certain investments and for other portfolio management purposes. Should such credit facilities be utilized, the Funds would incur additional interest and other expenses with respect to such facilities. As a result of rising interest rates, borrowing costs of the Funds are expected to be higher than they have been historically. Any such credit facility provider that permits the Funds to borrow may accept Fund assets as collateral for such credit facility and may be permitted to require the sale or liquidation of Fund assets held by it as collateral, after default by the Fund pursuant to the agreement with such credit facility provider. If any such credit facility provider were to require the Fund to sell or liquidate assets or otherwise act to realize on such collateral, these actions may impair the operational capabilities of the Funds and have adverse tax and economic effects on the Funds.

In connection with any financing or other borrowing transaction, the General Partner shall have the right, at its option, to pledge any or all of the assets of the Funds, including unfunded investor commitments, as security for any financing incurred indirectly by such Fund.

### *Subscription Lines*

A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to the maintenance, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the governing documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in the Fund or impose concentration or other limits on the Fund's investments. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged

assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. The General Partner is authorized to use Fund-level borrowing to pay management fees and to reimburse LSPE for expenses incurred on behalf of the Fund. A Fund is also permitted to utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

#### *Bridge Financings*

From time to time, the Funds may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge financings would typically be convertible into a more permanent, long-term security; however, including for reasons not always within the Funds' control, such long-term securities may not be issued and such bridge financings may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

#### *Limited Transferability of Fund Interests*

There will be no public market for the Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the limited partnership agreements and applicable securities laws. Withdrawals of Fund interests are generally not permitted. In addition, Fund interests are not redeemable.

#### *Restricted Nature of Investment Positions*

Generally, there will be no readily available market for Fund investments, and hence, most of the Funds' investments will be difficult to value. Certain investments may be distributed in kind to limited partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by the limited partners.

#### *Effects of Bankruptcy*

The Funds may make investments in portfolio companies that are or may become the subject of voluntary or involuntary bankruptcy proceedings under applicable bankruptcy laws. Certain risks that are faced in bankruptcy cases that must be factored into the investment decision include, for example, the potential total loss of any such investment. Upon confirmation of a plan of reorganization under applicable bankruptcy laws, or as a result of a liquidation proceeding, the Funds could suffer a loss of all or a part of the value of their investment in a portfolio company. A bankruptcy filing may adversely and permanently affect a portfolio company. The portfolio company could lose market position and key employees, and the liquidation value of the portfolio company may not equal the liquidation value that was believed to exist prior to the making of the initial investment.

#### *Reliance on the General Partner and Management Company*

The Funds have limited operating history and will be dependent on each General Partner and the Management Company. Control over the operation of the Funds will be vested with the General Partners and the Management Company, and the Funds' future profitability will depend largely upon the business and investment acumen of the principals of the General Partners and the Management Company. The

loss or reduction of service of one or more of those principals could have an adverse effect on the Funds' ability to realize their investment objectives. The principals currently, and expect in the future to, manage other investment funds or other vehicles and accounts besides the Funds and the principals may need to devote substantial amounts of their time to the investment activities of such other vehicles and accounts, which may pose conflicts of interest in the allocation of the time of the principals. Investors generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend on the actions of each General Partner. In addition, certain changes in the General Partners or the Management Company or circumstances relating to the General Partners or the Management Company may have an adverse effect on the Funds or one or more of their portfolio companies including potential acceleration of debt facilities.

### *Projections*

Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by employees and other personnel of LSPE. In all cases, projections are only estimates of future results that are based upon information received from such employees and other personnel and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

### *Enhanced Scrutiny and Certain Effects of Regulatory Changes*

LSPE and its affiliates operate in a heavily regulated environment. There continues to be significant legislative and regulatory developments affecting the regulation of the private equity industry, as well as the energy industry in general. There can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on LSPE or otherwise impede the Funds' activities. The enactment of regulation and/or legislation related to the private equity industry or the energy industry could have an adverse effect on LSPE and/or the Funds, and may impede the Funds' ability to effectively achieve their investment objectives.

As an SEC-registered investment adviser, the Management Company is subject to the requirements of the Advisers Act and the rules promulgated thereunder. In recent years the SEC has passed rules that have significantly impacted the private funds space, including the Marketing Rule that took effect on November 4, 2022 and the Private Funds Rules (defined below). Increased regulation and regulatory oversight of private funds and their managers imposes administrative and compliance burdens on LSPE, including, without limitation, implementing policies and procedures to ensure compliance with new or amended rules and responding to examinations and other regulatory inquiries. Such administrative and compliance burdens may also divert LSPE's time, attention and resources from other areas of the business.

On September 14, 2023, the SEC published rules and amendments to existing rules under the Advisers Act (collectively, the "Private Funds Rules") specifically related to investment advisers and their activities with respect to the private funds they advise, including quarterly reporting, preferential treatment, restricted activities, adviser-led secondaries, audited financial statements, documentation of an adviser's annual compliance review and recordkeeping. The legality of the Private Funds Rules is currently being challenged in federal court, though it is uncertain whether this legal challenge will succeed. While the full impact of the Private Funds Rules cannot yet be determined, it is generally anticipated that they will have a significant effect on private fund advisers, their operations and how they interact with investors, including by increasing regulatory and compliance costs and burdens and heightening the risk of regulatory inquiries.

and actions (including public regulatory sanctions). The Funds are expected to bear certain regulatory and compliance costs relating to the Private Funds Rules, which could include (without limitation) fees, costs and expenses incurred in connection with (a) preparing and distributing to investors the notices or disclosures required by the rules, (b) soliciting and obtaining from investors any consents required by the rules and (c) organizing, preparing and distributing any summaries or copies of side letters or other documentation of preferential or specialized treatment to investors (including fees paid to third parties to perform or assist with such actions or processes), which fees, costs and expenses could be expected to be material.

The SEC has also recently proposed, and can be expected to propose, additional new rules and rule amendments under the Advisers Act in respect of: ESG reporting for private funds, the safeguarding of client assets, additional Form PF reporting obligations (in addition to those recently adopted), cybersecurity risk governance, the outsourcing of certain functions to service providers, changes to Regulation S-P and the use of predictive data and associated conflicts of interest. These and any future proposed rules, to the extent adopted, are expected to result in material alterations to how LSPE operates its business and/or the Funds, and significantly increase compliance burdens and associated costs and complexity.

In addition, LSPE is required to comply with a variety of regulatory reporting and compliance-related obligations under applicable federal, state, and foreign securities laws (including, without limitation, reports or notices in connection with the EU Alternative Investment Fund Managers Directive (the “AIFMD”) as well as other international jurisdiction-specific obligations). In light of the heightened regulatory environment in which the Funds and LSPE operate and the ever-increasing regulations applicable to private investment funds and their investment advisors, it has become increasingly expensive and time-consuming for the Funds, LSPE and their affiliates to comply with such regulatory reporting and compliance-related obligations. The Funds will be required to bear the Funds’ expenses relating to compliance-related matters and regulatory filings, and such expenses are likely to be material, including on a cumulative basis over the life of the Funds. Any further increases in the regulations applicable to private investment funds generally or the Funds and/or LSPE in particular may result in increased expenses associated with the Funds’ activities and additional resources of LSPE being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for the limited partners and/or have an adverse effect on the ability of the Funds to effectively achieve their investment objective.

#### *Alternative Investment Fund Managers Directive*

The AIFMD regulates the activities of private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area (“EEA”).

To the extent that the Funds are actively marketed to investors domiciled or having their registered office in the EEA: (i) such Funds and LSPE will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in the Funds incurring additional costs and expenses; and (ii) the Funds and LSPE may become subject to additional regulatory or compliance obligation arising under national law in certain EEA jurisdictions, which would result in the Funds incurring additional costs and expenses and may affect the management and operation of the Funds; (iii) LSPE will be required to make detailed information relating to the Funds and their investments available to regulators and third parties; and (iv) the AIFMD will also restrict certain activities of the Funds in relation to EEA portfolio companies including, in some circumstances, the Funds’ ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership, which may in turn affect

operations of the Funds generally. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for the Funds to raise its targeted amount of commitments. In addition to the above, a non-EEA manager will be required to comply with the disclosure and reporting obligations under the Sustainable Finance Disclosure Regulation (“SFDR”) when marketing the Funds in the EEA.

#### *Rules Regarding U.S. Federal Income Tax Liability Resulting from IRS Audits*

For taxable years of the Funds beginning on or after January 1, 2018 (or earlier, if an entity so elects), U.S. federal income taxes arising from an IRS audit of an entity will be paid by such entity, absent an election to the contrary. In addition, the Funds’ general partner or its delegate will be designated “partnership representative” for each Fund and will have the power to act on behalf of such entity and its member/partners in all IRS audits and other proceedings involving such entity’s U.S. federal income, loss, deductions and credits. These rules may affect limited partners’ tax obligations in any particular year with respect to their investment in a Fund, including the potential for a limited partner to bear a tax cost economically attributable to a year in which the limited partner was not an investor in the Fund.

#### *Non-U.S. Investments*

The Funds generally may not invest in portfolio companies that conduct a majority of their operations outside of North America without the consent of a Fund’s advisory board. Non-U.S. investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Funds and/or the General Partners with respect to the Funds’ income, and possible non-U.S. tax return filing requirements for the Funds and/or limited partners.

Additional risks of non-U.S. investments include: (i) economic dislocations in the host country or the markets for a company’s products or services; (ii) less publicly available information; (iii) less well-developed and/or more restrictive laws, regulations, regulatory institutions, judicial systems and taxation regimes; (iv) greater difficulty enforcing legal rights in a non-U.S. jurisdiction; (v) civil disturbances; (vi) government instability; and (vii) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

#### *Hedging Arrangements; Related Regulations*

The General Partners endeavor, but are not obligated, to manage the Funds’ or any portfolio company’s currency exposures, interest rate exposures, commodity exposures or other exposures, using hedging techniques where available and appropriate.

The Funds may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter (“OTC”) contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

Hedging arrangements will subject the Funds to the risk of a counterparty’s inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary

in connection with such hedging. OTC contracts, as an example, may expose the Funds to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements with respect to the Funds may create for the General Partners and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission ("CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

#### *International Conflicts*

War and other international conflicts, such as the Israeli-Hamas conflict and the ongoing military conflict between Russia and Ukraine, have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

In particular, the conflicts and any expansion of such conflicts could have a material impact on global energy prices, which could have a material impact on the Funds or their investments. Any effects of the conflicts on energy prices could have an impact on the Fund's ability to source or diligence new investments or to manage or exist investments in the future. In addition, military actions, sanctions or other governmental actions could have further negative impacts both in the U.S. and in non-U.S. regions and investments in those regions. Disruptions in the existing financial, legal and regulatory framework resulting from the conflict could have broad adverse effects on the economy and markets for certain securities and commodities, such as oil and natural gas, or on investments in the power and energy infrastructure industries.

#### *Significant Adverse Consequences for Default*

Each limited partnership agreement provides for significant adverse consequences in the event an investor defaults on its commitment or any other payment obligation. In addition to losing its right to potential distributions from the Funds, a defaulting investor may be forced to transfer its interest in the Funds for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

#### *Dilution*

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

### *General Partner's Carried Interest*

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

### *Transfer by General Partner*

To the extent the General Partner, its partners, the principals and/or their respective affiliates commit to make a direct or indirect investment in a Fund, a material participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the limited partnership agreement.

### *Distressed Investments*

The Funds may invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties, liabilities and/or operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partner will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings, or a restructuring, recapitalization or liquidation is required, the Funds may lose some or all of their investments or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Funds invested.

### *Director and Officer Liability*

The Funds will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) or as officers of the companies in which they invest. Serving on the board of directors (or similar governing body) or as an officer of a portfolio company exposes the Funds' representatives, and ultimately the Funds, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

### *Limitation of Recourse and Indemnification*

The limited partnership agreements will limit the circumstances under which the General Partners and their affiliates will be held liable to the Funds. As a result, limited partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the limited partnership agreements will provide that the Funds will indemnify the General Partners and their affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Funds. Such indemnification obligations could materially impact the returns to limited partners.

### *Litigation*

In the ordinary course of its business, the Funds and/or their subsidiaries have in the past and may in the future be a party to litigation from time to time. The outcome of such proceedings may materially



adversely affect the value of the Funds and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partners' and the principals' time and attention, and that time and the devotion of these resources to litigation, including in respect of an individual's capacity as an officer or a member of a board of directors of a portfolio company, may, at times, be disproportionate to the amounts at stake in the litigation.

#### *Delayed Schedule K-1s*

The Funds will likely not be able to provide final Schedule K-1s to investors for any given fiscal year until after April 15 of the following year. The General Partners will use reasonable efforts to provide investors with estimates of the taxable income or loss allocated to their investment in the Funds on or before such date, but final Schedule K-1s will not be available until the Funds have received tax-reporting information from their portfolio companies necessary to prepare final Schedule K-1s. Investors should expect to be required to obtain extensions of the filing dates for their U.S. federal, state and local income tax returns. Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in the Funds.

#### *Uncertain Economic, Social and Political Environment*

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Funds and their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. A climate of uncertainty may slow the rate of future investments by the Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon portfolio companies in which the Funds make investments.

#### *Market Conditions*

The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the portfolio companies in which the Funds make investments. The Funds' performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Funds' performance. Volatility and illiquidity in the financial sector may have

an adverse effect on the ability of the Funds to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of the Funds to pay break-up, termination or other fees and expenses in the event the Funds are not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Funds to dispose of investments at prices that the General Partners believe reflect the fair value of such investments. The impact of market and other economic events may also affect the Funds' ability to raise funding to support its investment objective.

#### *Recycling; Reinvestment*

The General Partners have the right to generally recall certain capital returned or distributed to the investors during the term of the Funds. Accordingly, during the term of a Fund, an investor may be required to make capital contributions in excess of its commitment (with certain limitations), and to the extent such recalled or retained amounts are reinvested in investments, an investor will remain subject to investment and other risks associated with such investments.

#### *Disclosure of Information*

Certain investors will be subject to state public records or similar freedom of information laws, which may compel public disclosure of confidential information regarding the Funds, its investments and its investors. There can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement agencies or otherwise, including for purposes of complying with regulations or policies to which the Funds, the General Partners, their affiliates, portfolio companies or service providers to any of them may be or become subject.

#### *Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments*

A widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, could dramatically reduce investor demand for high yield debt and senior bank debt, which in turn may lead some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms. The Funds' ability to generate attractive investment returns may be adversely affected to the extent the Funds are unable to obtain favorable financing terms for their investments or if portfolio companies are unable to obtain favorable terms to finance their business operations. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of the Funds to realize their investments at favorable times or for favorable prices.

#### *Sanctions, Anti-boycott, and Anti-corruption Considerations*

Economic sanction laws and regulations in the United States, European Union, and other jurisdictions may prohibit or restrict the General Partners, the Funds, and their respective professionals from transacting with or in certain countries or territories and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing and enforcing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of products and/or services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals and other parties targeted by OFAC sanctions and embargo programs. OFAC's lists of sanctioned or restricted countries, territories, persons and entities, including the

Specially Designated Nationals and Blocked Persons List, as such list may be amended from time to time, can be found on the OFAC website at <https://ofac.treasury.gov/>.

In addition, certain U.S. sanctions programs administered and enforced by OFAC broadly prohibit any dealings by U.S. persons with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions restrictions may also restrict the General Partners' and the Funds' investment activities.

EU sanctions are administered by the European Commission and enforced at Member State level. Such sanctions also prohibit, among other things, transactions with, and the provision of products and/or services to, certain foreign countries, territories, entities and individuals. EU sanctions also prohibit dealings with certain individuals or entities listed on the EU Consolidated List (<https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>).

Accordingly, the Funds generally will require investors to represent that they are not named on any export- and/or sanctions-related prohibited entities and individuals list maintained by the United Nations, OFAC, the European Union, any EU Member State or any other applicable authority, and are not operationally based or domiciled in a country or territory in relation to which current sanctions have been issued by the United States, United Nations, European Union, any EU Member State or other relevant authority (collectively, "Sanctions Lists"). Where an investor is on a Sanctions List, the Funds may be required to cease any further dealings with the investor's interest in a Fund until such sanctions are lifted or a license is sought under applicable law to continue dealings.

The imposition of economic sanctions, or even the threat of sanctions, can result in the decline of the value of the Funds' investments due to its negative effects on markets for certain commodities, such as oil and natural gas, and other raw materials that affect the power and energy infrastructure industries in which the Funds' investments are concentrated. These sanctions could also result in disruptions to certain supply chains that negatively impact LSPE, the Funds, and the Funds' investments.

#### *Contingent Liabilities Upon Disposition*

In connection with the disposition of an investment, the Funds and the General Partners may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that, among other things, any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which may be borne by the Funds and, ultimately, their investors.

#### *Project Risks*

The Funds invest in a number of projects. Such investments expose the Funds to numerous risks including without limitation construction, environmental, regulatory, permitting, commissioning, start-up, operating, economic, commercial, political and financial risks. The Funds may also invest in early developmental stage projects, involving risks of failure to obtain or substantial delays in obtaining: (i) regulatory, environmental or other approvals or permits; (ii) financing; and (iii) suitable equipment supply, operating and off-take contracts. Further, there is no assurance that these projects will be

profitable or generate cash flow sufficient to service their debt or provide a return on or recovery of amounts invested therein.

#### *Construction Risk*

Certain of the Funds' investments involve significant construction risk, including the risk of substantial delay or increase in cost due to a number of unforeseen factors: political opposition; regulatory and permitting delays; delays in procuring sites; strikes; disputes; environmental issues; *force majeure*; or failure by one or more of the infrastructure investment participants to perform in a timely manner their contractual, financial or other commitments. A material delay or increase in unabsorbed cost could significantly impair the financial availability of an infrastructure investment project and result in a material adverse effect on the Funds' investments, including penalties by regional transmission operators for such delays and costs to buy out any obligations to regional transmission operators if capital expenditures are not completed.

#### *Technical Risk*

Investments in the power and energy infrastructure industries may be subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events which adversely affect operations. There is no assurance that any or all such risk can be mitigated.

#### *Commodity Risk*

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

#### *Real Estate Risks*

Some or all of the Funds' investments may be subject to the risks inherent in the ownership and operation of assets or business which derive a substantial amount of their value from real estate and real estate-related interests. These types of underlying interests are typically illiquid. Deterioration of real estate

fundamentals will likely negatively impact the performance of such investments. Such changes in fundamentals could involve fluctuations as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in environmental and zoning laws, casualty or condemnation losses, environmental liability, regulatory limitations on rents, changes in neighborhood values, changes in the appeal of properties to tenants, the availability and cost of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, natural disasters, increase in interest rates and other factors that are beyond the control of LSPE. Additionally, the Funds may acquire assets in jurisdictions where indigenous rights (e.g., with respect to tribes or other dispossessed people/communities) to land exist. While the Funds will generally conduct due diligence in such jurisdictions to determine the extent to which it may be affected by such rights, it may not be possible to mitigate against or remove a risk associated with indigenous claims. Additionally, any declaration of title in respect of government-protected land on which infrastructure assets are located may negatively affect the operation of those businesses. Some portfolio companies may also be dependent on acquiring or leasing real estate in specified locations and such acquisitions or leases may not be achievable or, if achievable, may be prohibitively expensive.

#### *Use of Artificial Intelligence and Machine Learning*

Artificial intelligence (“AI”), including generative artificial intelligence and similar technologies (“GenAI”), can pose risks to the Company, the Funds, and their investments. AI is an emerging and rapidly evolving technology and therefore it is difficult to fully assess the risks associated with it and those posed to the Company, its Funds, and/or its Funds’ investments. LSPE, third-party service providers or counterparties may use artificial intelligence (“AI”) in their business operations, and the challenges with properly managing the use of AI could adversely impact LSPE or a Fund. LSPE endeavors to evaluate AI models and related risks before using them in its business. However, there can be no assurance that it will do so successfully, and the use of AI may adversely affect the Company and the Funds and/or the Funds’ investments. If the content, analyses or recommendations that AI applications assist in producing are or are alleged to be deficient, inaccurate or biased, a Fund could be negatively impacted as a result. AI tools may produce inaccurate, misleading, or incomplete responses that could lead to errors in LSPE’s and its employees’ decision-making, portfolio management, or other business activities, which could negatively affect the performance of an investment strategy. Such AI tools could also be used against LSPE, a Fund or its investments in criminal or negligent ways. LSPE cannot control the operations of third-party service providers or counterparties, the manner in which their products are developed or maintained or the manner in which their services are provided.

Use of AI implicates risks resulting from inaccuracies in data input and output or signals, modeling, and information security and related regulatory developments, among others. LSPE and/or the Funds could incur liability or expenses in connection with claims of infringement or similar claims by third parties related to information which the Company receives through GenAI. As a result, these risks may subject the Company to potential litigation (particularly trademark, licensing terms of use, and copyright claims), conflicts of interest, and/or other legal or operational risks. It is possible that new regulations may emerge in this area which impedes or hinders LSPE’s ability to use AI in the future. The adoption of proposed regulatory rules regulating AI and other similar systems may also impose additional obligations and expenses on the Company, and the Company’s practices regarding the use of AI potentially disadvantage it competitively. In addition, LSPE’s competitors or their third parties could incorporate AI into their products more quickly or more successfully, which could impair LSPE’s ability to compete.

### *Catastrophic and Force Majeure Events; Business Continuity and Disaster Recovery*

The Funds' investments may be subject to catastrophic events and other *force majeure* events, such as fires, earthquakes, adverse weather conditions, natural disasters, changes in law, strikes, equipment failures, casualties, inability to procure equipment or parts, eminent domain, war, riots, terrorist attacks, cyber-attacks, pandemics, endemics and other widespread public health emergencies, including outbreaks of infectious diseases (as described below) and similar risks. These events could result in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to a Fund.

Such events or other circumstances resulting in property damage, network interruption and/or prolonged power outages could result in disruption to LSPE and its clients' business operations. Although LSPE has implemented or expects to implement measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have material adverse effects on LSPE, the Funds, and the Funds' investments.

### *Adequacy and Availability of Insurance*

It may not always be practicable or feasible for the Funds to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation. In addition, certain losses of a catastrophic nature, such as those caused by wars, earthquakes, environmental changes, terrorist attacks, cyber-attacks or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact the Funds' profitability. In general, losses related to terrorism are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts or cyber-attacks for additional premiums, which can greatly increase the total costs of casualty insurance. As a result, it is unlikely that any of the Funds' investments will be insured against damages attributable to acts of terrorism. If a major uninsured loss were to occur with respect to an investment, the Funds could lose both their capital invested in and anticipated profits related to such investments.

### *Broken Deal Expenses*

Investments in the power and energy infrastructure industries often require extensive due diligence activities prior to acquisition, including feasibility and technical studies, preliminary engineering costs and marketing studies, environmental review and legal costs. In the event that an investment is not consummated, some or all of such third party expenses will be borne by the Funds, and might not be borne by any prospective co-investors.

### *Changes in the Utilities Industry*

The Funds make investments in the power and energy infrastructure industries (and related industries and markets) in the United States and may make such investments in Canada or Mexico. A number of countries, including the United States, are considering or implementing methods to introduce and promote competition with respect to both supply and demand. To the extent competitive pressures

increase and the pricing and sale of products assume more characteristics of a commodity business, the economics of the projects into which the Funds may invest may come under increasing pressure. If restructuring of the energy industry, including the electricity sector, is reversed, discontinued, delayed or modified, this could have an adverse effect on the projects into which the Funds may invest.

#### *Governmental Contract Risk*

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

#### *Renewable Energy Generation and Storage*

The Funds make investments in renewable energy and storage projects. The market for renewable energy is rapidly evolving. If the historical political support for renewable energy deployment changes materially (including as a result of changes in market conditions, such as a decrease in the price of fossil fuels) or there are changes in state or federal subsidies, the Funds' investments in renewable energy and storage projects generally could be adversely affected. Because the renewable energy and storage industries are still emerging, investments tend to be more volatile and are more uncertain.

Investments in renewable energy, storage, and related businesses and/or assets currently enjoy support from national, state and local governments and regulatory agencies designed to finance or support the financing and development thereof. Examples of such support at the federal level in the U.S. include federal investment tax credits and federal production tax credits, and grants from the U.S. Department of the Treasury. At the state level, currently there are a broad range of energy policies and programs relevant to renewable energy and storage resources. Some of the U.S. states or other jurisdictions have adopted Renewable Portfolio Standards ("RPS"), or similar, requirements that support the sale of electricity generated from renewable energy and/or storage resources. Under such programs, electric utility suppliers may satisfy their RPS requirements by purchasing renewable energy or renewable energy credits ("RECs"), or the like, from producers of electricity generated from renewable sources. Similar support, initiatives and arrangements exist in non-U.S. jurisdictions as well, in particular, the EU. Non-U.S. jurisdictions may have more variable views on policies regarding renewable energy (and for example may be more willing or likely to abandon initiatives regarding renewable energy and storage in favor of more carbon-intensive forms of traditional energy generation).

The combined effect of these programs is to subsidize, in part, the development, ownership and operation of renewable energy and/or storage projects, particularly in markets where the low cost of fossil fuels may otherwise make the cost of producing energy from renewable sources uneconomic. The operation and financial performance of any renewable energy and/or storage investment may be significantly dependent on governmental policies and regulatory frameworks that support renewable energy and storage resources. There can be no assurance that government support for renewable energy and storage will continue, that favorable legislation will pass, or that the electricity produced by the renewable energy or storage investments will continue to qualify for support through RPS or other programs. The elimination of, or reduction in, government policies that support renewable energy and storage could

have a material adverse effect on a renewable energy portfolio investment's financial condition or results of operation. Any reduction in or elimination of these programs could have an adverse effect on development of renewable energy and storage resources, as was demonstrated, in the context of wind resources, by the significant reduction in wind power development projects between the end of 2003 when the federal production tax credit expired and the reinstatement of such credit by legislation enacted in October 2004. To the extent any tax credits, other favorable tax treatment or other forms of support for renewable energy or storage are changed, the Funds' renewable energy investments may be negatively impacted.

Regardless of the favorability of the regulatory environment, and potential changes thereto, in a given jurisdiction, renewable energy and/or storage projects are subject to risks that could adversely impact the Funds. At the development phase, renewable energy and/or storage projects are subject to risks related to project siting, financing, construction, permitting, the environment, governmental approvals and the negotiation of project development agreements. Such projects are also subject to the risk that both the supply and demand fundamentals in the market could change before project completion, including the risk that a state or other governmental authority could seek to procure additional or alternative generation resources.

Renewable energy and storage projects that become operational, or that are already operating when a Fund acquires an interest in such projects, are subject to various additional risks. Renewable energy and storage resources can be materially adversely affected by weather conditions, including, but not limited to, the impact of severe weather, which can directly influence the demand for, and price of, electricity; alter a renewable energy resource's electrical output and/or a storage resource's ability to charge or discharge; and damage a renewable energy and/or storage resource or associated equipment. Operation and maintenance of renewable energy and/or storage projects involves significant risks, in addition to weather, that could result in unplanned power outages, reduced output or capacity of a facility, personal injury, or loss of life. Such risks include, but are not limited to, fires and explosions (including those caused by a renewable energy or storage resource), equipment failure, technical performance below expected levels, operator or contractor error or failure to perform, design or manufacturing defects, failure to comply with permits, force majeure, and other catastrophic events. In addition, renewable energy and storage resources are dependent on interconnection and transmission facilities, typically owned and operated by third parties, to deliver energy. If such interconnection and transmission facilities become partially or fully unavailable, which can happen as a result of numerous factors, it could negatively impact renewable energy and/or storage resources dependent thereon.

Any of the various risks associated with renewable energy and storage resources could result in both regulatory risk and commercial risk by, for example, adversely impacting such resources' ability to satisfy regulatory and/or contractual obligations to satisfy certain performance criteria. Further, independent of the above risks, renewable energy and storage resources are generally subject to competition in the market. At any time, a renewable energy or storage resource's ability to compete in the market could be adversely impacted by changes in supply and demand, technological change, and other variables beyond the Funds' control.

#### *Climate and ESG Program Risk*

LSPE views ESG as a core value driver and has consequently established an ESG program that it intends to apply in the discovery, acquisition, management, monitoring and disposal of investments. Although LSPE believes its ESG program will enhance the performance of the portfolio companies in which the Funds invests over the long-term, there is no guarantee that its ESG program, which depends in part on



qualitative judgments, will positively impact the financial, climate, or ESG performance of any individual portfolio company or the Funds as a whole. Successful engagement efforts on the part of the Funds will depend on a Fund's ability to properly identify and analyze material ESG, impact metrics and other factors and their value, and there can be no assurance that the strategy or techniques employed will be successful. The application of the ESG program may involve higher ESG compliance expenses or costs or the forgoing of certain opportunities to the extent material economic risks associated with an investment are identified, which carries the risk that the Funds could perform differently than investment funds that do not take ESG factors into account. Notwithstanding the foregoing and for the avoidance of doubt, it is not contemplated that ESG factors will be determinative with respect to any of the Funds' investments or that LSPE will subordinate investment return or increase investment risks for the Funds as a result of (or in connection with) the foregoing ESG program and ESG integration.

Further, climate and ESG integration and responsible investing practices as a whole are evolving rapidly and there are different frameworks and methodologies being implemented by other asset managers. LSPE's approach may not align with the approach used by other asset managers or preferred by prospective investors or with future market trends. For example, LSPE's ESG program does not represent a universally recognized standard for assessing ESG factors. Further, the Funds' financial and ESG success will depend in large part on having access to certain projects in the evolving energy and circular economy sectors and the Funds cannot guarantee that such projects will be available for investment. The Funds also cannot guarantee that these sectors will continue to receive support through government mandates and subsidies or grow thanks to consumer spending habits. More generally, environmental laws, regulations and regulatory initiatives play a significant role in the energy sector overall and can have a substantial impact on investments made by the Funds in industries within this sector. Certain industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. The Funds may invest in investments that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on investments or potential investments. Any noncompliance with these laws and regulations could subject the Funds or LSPE to material administrative, civil or criminal penalties or other liabilities.

LSPE may not independently verify certain ESG information reported by its portfolio companies or third parties and provided by LSPE to its stakeholders (some of which is based on professional or business judgment). Further, LSPE may determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing or other considerations.

Finally, there is also growing regulatory and investor interest, particularly in the U.S., UK and EU, in improving transparency around how asset managers define and measure climate and ESG performance, in order to allow investors to validate and better understand sustainability claims. LSPE's ESG practices could become subject to additional regulation in the future, which may create certain procedural and organizational obligations for firms such as LSPE. As the U.S., EU and UK develop (and where relevant implement) their respective ESG transparency focused regulatory regimes, there is a risk that the evolution of such regimes will introduce conflicting obligations which could lead to additional compliance costs for LSPE. LSPE cannot guarantee that its current approach will meet future regulatory requirements or best practices. However, LSPE expects that its ESG program and associated policy will adapt and change over time in response to future developments in the regulatory landscape.

### *Effects of Ongoing Changes in the Utility Industry*

The Funds may make certain investments in utility industries both in the United States and abroad. In many regions, including the United States, the market dynamics of the utility industry may change, primarily in wholesale markets, as a result of consumer demands, technological advances, greater availability of natural gas and other factors. As a result, additional significant competitors could become active in parts of the utility industry. In addition, utility asset owners may find it increasingly difficult to negotiate long-term procurement or sales agreements with counterparties, which may affect the Funds' profitability and financial stability. To the extent competitive pressures increase and the pricing and sale of products assume more characteristics of a commodity business, the economics of the projects into which the Funds may invest may come under increasing pressure. If restructuring of the utility industry is reversed, discontinued, delayed or modified, this could have an adverse effect on the portfolio companies into which the Funds may invest.

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

Under the FPA, the Federal Energy Regulatory Commission ("FERC") regulates wholesale sales of electricity and the transmission of electricity in interstate commerce by "public utilities" as defined under the FPA and places constraints on the conduct of their business, including, among other things, rate and corporate regulation including ownership and disposition of jurisdictional assets. In addition, state public utility commissions in the U.S. ("PUCs") have historically had broad authority to regulate both the rates charged by, and the financial activities of, electric utilities that sell electricity at retail and other public utilities that provide utility service to the public such as water utilities and telecommunication service providers, and a number of other matters relating to electric and other public utilities. State laws may also impose certain regulatory and reporting requirements on other owners and operators of generation facilities and other public utilities. Independent power producers are considered to be public utilities in some states and are subject to varying degrees of regulation by PUCs, ranging from a requirement to obtain a "certificate of public convenience and necessity" to regulation of organizational, accounting, financial and other corporate matters. States may assert jurisdiction over the location and construction of electric generating facilities and other public utility facilities, and in certain situations, over the issuance of securities and the sale or other transfer of assets by these facilities. State jurisdictional natural gas transportation and storage rates are also frequently subject to regulation by local PUCs. Similar regulation may also apply in other non-U.S. jurisdictions where investments are made.

### *Energy and Natural Resources Regulatory Risk*

The energy and natural resource sectors are subject to comprehensive U.S. and non-U.S. federal, state and local laws and regulations. Present, as well as future, statutes and regulations could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect the Funds' investments and the prospects of the Funds. There can be no assurance that (i) existing regulations applicable to investments generally or the portfolio companies will not be revised or reinterpreted; (ii)

new laws and regulations will not be adopted or become applicable to portfolio companies; (iii) the technology and equipment selected by portfolio companies to comply with current and future regulatory requirements will meet such requirements; (iv) such portfolio companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies. In addition, in many instances, the operation or acquisition of energy infrastructure assets may involve an ongoing commitment to or from a government agency. The nature of these obligations exposes the owners of infrastructure investments to a higher level of regulatory control than typically imposed on other businesses.

Regulatory changes in a jurisdiction where a project or portfolio company is located or operates may make the continued operation of such project or company unfeasible or economically disadvantageous and any expenditures made to date with respect to such investment may be wholly or partially written off. The location of a project or portfolio company may also be subject to government exercise of eminent domain power, expropriation or similar events. Similarly, regulatory differences between jurisdictions where a project or portfolio company is located or operates may make the commencement and/or continued operation of a project or company in a particular jurisdiction less feasible and/or less profitable than projects in other jurisdictions. The inability of the Funds and/or the portfolio companies to obtain and maintain regulatory permits or right-of-way or rental agreements on acceptable terms could adversely impact the Funds and/or the portfolio companies, including by impeding their ability to complete construction projects on time, on budget or at all. Any of these factors could significantly increase the regulatory-related compliance and other expenses incurred with respect to investments and could significantly reduce or entirely eliminate any potential revenues generated by one or more of the investments, which could materially and adversely affect returns to the Funds.

There can be no assurance that (i) existing regulations applicable to investments generally or the portfolio companies will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to portfolio companies; (iii) the technology, equipment, processes and procedures selected by portfolio companies to comply with current and future regulatory requirements will meet such requirements; (iv) such portfolio companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies.

### *Third-Party Involvement*

The Funds co-invest, from time to time, with third-parties through partnerships, joint ventures or other entities. Such investments involve risks not present in investments where a third-party is not involved, including the possibility that: (i) the Funds and such third-party partner or partners may reach an impasse on a major decision that requires the approval of both parties; (ii) the third-party partner or partners may at any time have economic or business interests or goals that are inconsistent with those of the Funds; (iii) the third-party partner or partners may encounter liquidity or insolvency issues or may become bankrupt; (iv) the third-party partner or partners may be in a position to take action contrary to the Funds' investment objective; (v) the third-party partner or partners may take actions that subject the property to liabilities in excess of, or other than, those contemplated; or (vi) in certain circumstances the Funds

may be liable for actions of their third-party partner or partners. In addition, the Funds may rely upon the abilities and management expertise of a third-party partner or partners, or their affiliates. It may also be more difficult for the Funds to sell their interest in any joint venture, partnership or entity with other owners than to sell its interest in other types of investments. The Funds may grant a third-party partner or partners joint approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks. A deadlock could delay the execution of the business plan for the investment or require the Funds to engage in a buy-sell of the venture with the third-party partner or partners or conduct the forced sale of such investment. As a result of these risks, the Funds may be unable to fully realize their expected return on any such investment.

#### *Risk of Investor Misrepresentation*

In connection with its subscription for interests, an investor will be required to make certain representations, including that it is not (i) a “holding company”, or an “associate company” or a “subsidiary company” of a holding company, as each term is defined in the Public Utility Holding Company Act of 2005 (“PUHCA 2005”), unless it and any holding company with respect to which it is an associate company or a subsidiary company, as well as all other members of the same “holding company system,” as that term is defined in PUHCA 2005, are exempt from federal books and records access, accounting, reporting requirements under PUHCA 2005; (ii) subject to regulation as a “public utility” under the Federal Power Act; (iii) subject to regulation as a “holding company” in a holding company system that includes a transmitting utility or an electric utility, as such terms are defined under the Federal Power Act, unless it qualifies for the blanket authorization granted by the FERC in 18 C.F.R. §33.1(c)(8); or (iv) subject to regulation under the laws of any state concerning regulation as an electric utility, public utility, public service corporation or company, utility holding company, or similar entity or the financial and organizational regulation of such entities. If such representation proves to have been incorrect, the Funds could lose the benefit of certain regulatory exemptions benefiting certain investments that the Funds have made or intend to make. Such loss of regulatory exemption benefits could result in the imposition of burdensome regulation upon the Funds, any joint venture or other entities in which they will invest or have invested. This could also adversely affect the economic performance of such investments and could result in the incurring of substantial liabilities by the Funds and any investor making such misrepresentations.

#### *Ability to Exit Investments*

Individual asset investments in the power and energy infrastructure industries tend to be large due to the general nature and size of facilities and assets, including power plants, transmission lines, storage or distribution properties and related facilities and assets. The value of these assets generally range from \$50 million to over \$1.0 billion per asset, and the Funds may acquire portfolios of assets that are not easily separated into individual asset acquisitions or dispositions. There are limited pools of capital available in the sector that can make such sizeable investments and limited numbers of market participants. As a result, the Funds may have to pursue alternative investment exit strategies that may not be typical of private equity funds in order to generate liquidity from its investments, and there can be no assurance that the Funds will be able to dispose of their investments on favorable terms, in a timely manner or at all.

#### *Distributions in Kind*

Although, under normal circumstances, the Funds intend to make distributions in cash or in publicly traded securities, it is possible that under certain circumstances (including the liquidation of the Funds)

distributions may be made in kind and could consist of securities for which there is no readily available public market.

#### *Valuation of Investments*

Generally, the relevant General Partner will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all the Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions with respect to these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the relevant Fund's investment portfolios and risks, and may also affect the diversification and management of such Fund's portfolio of investments.

#### *Cybersecurity Risks*

To the extent that LSPE or a portfolio company is subject to cyber-attack or other unauthorized access is gained to an entity's systems, such entity may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. In certain events, an entity's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks. Any of these circumstances could subject LSPE, a portfolio company, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce LSPE, a Fund, portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at LSPE or one of its service providers holding its financial or investor data, LSPE, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under LSPE's policies and practices.

#### *Limited Access to Information*

Limited partners' rights to information regarding a Fund, the relevant General Partner or LSPE generally will be specified, and in many cases strictly limited, by the governing documents. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of LSPE's

control. Decisions by LSPE or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor LSPE and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and LSPE reserves the right to withhold certain information from investors subject to such laws for reasons relating to LSPE's public reputation, business strategy or other reasons.

*Financial Institution Risk; Distress Events.*

An investment in a Fund is subject to the risk that a bank, broker, hedging counterparty, lender or other custodian (each, a "Financial Institution") of the Company, Fund, investors, or portfolio companies fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event"). Financial Institutions may be adversely affected by factors including eroding market sentiment, a change in interest rates, significant customer withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Company, Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the Company to manage the Funds and their investments, and on the ability of the Company, the Funds, and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well as the inability of a Fund to acquire or dispose of investments at prices that LSPE believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. If a Financial Institution is an investor in a Fund or if an investor has any accounts at such Financial Institution and the Financial Institution experiences a Distress Event, it may make it more likely that such investor will be unable to satisfy its capital call and other obligations to the Fund, which could result in the Fund not being able to consummate a potentially valuable investment and a possible breach by the Fund under its agreement to acquire such investment. If a Financial Institution is an investor in a Fund or if an investor has any accounts at such Financial Institution and the Financial Institution experiences a Distress Event, it may make it more likely that such investor will be unable to satisfy its capital call and other obligations to the Fund, which could result in the Fund not being able to consummate a potentially valuable investment and a possible breach by the

Fund under its agreement to acquire such investment. Although the Management Company expects to exercise contractual remedies under the agreements with affected entities in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. Any of the risks described, or other risks not described, if realized, could have a material adverse effect on the liquidity, current and/or projected business operations, financial condition and/or performance results, as applicable, for any of the Company or its related parties, a Fund and/or the portfolio investments.

#### *Public Health Emergencies*

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola, and the coronavirus have resulted in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

The extent of the impact on a Fund's and its portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy a Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of a Fund, its portfolio companies, the General Partner, and the Management Company may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective investors should read the Funds' governing documents in their entirety and consult their own counsel and advisors before deciding to invest in the Funds.

#### *Side Letters*

As noted in Item 4 above, in connection with or as a condition to an investor's agreement to invest in a Fund, the Fund or its general partner will from time to time enter into a "side letter" or similar agreement with an institutional or other investor pursuant to which the Fund or its general partner grants the investor specific rights, benefits or privileges that are not generally made available to all investors. Such rights, benefits or privileges include waivers or discounts on management fees with respect to co-investments, "most favored nation" clauses, preferential access to co-investment opportunities, the right to be excused from participating in certain investments made by a Fund, notice rights upon the occurrence of certain

events, seats on a Fund's limited partner advisory committee, specialized or additional reporting rights, rights related to tax treatment, rights related to regulatory matters, rights related to immunities or indemnification, rights related to the ability of the investor to transfer its interest in the Fund, additional representations and warranties from the Fund, its general partner and/or the Company, modifications to the subscription agreement and other benefits. While the ability of a Fund or its general partner to enter into a side letter or similar agreement affording preferential rights to certain investors is generally disclosed to other investors in the Fund, the terms of such "side letters" or similar agreements are generally not disclosed to other investors in the Fund, except to investors that have separately negotiated for the right to review such agreements.

#### *Social Media and Publicity Risk*

The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation regarding the Company, the Funds or one or more portfolio companies could have a material and adverse effect on the value of the Funds.

#### *Exposure to Material, Non-Public Information*

From time to time, LSPE's employees receive material, non-public information with respect to an issuer of publicly traded securities resulting from professional and/or personal channels. In such circumstances, Clients may be prohibited, by law, and policies and procedures for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

#### *Financial System Disruption*

LSPE, the Funds, and the Funds' portfolio companies are dependent on unaffiliated financial industry participants, including banks, broker-dealers, clearing houses, securities firms, exchanges and other financial institutions, to conduct their business. A disruption or shock in the financial industry or markets (as last occurred in the first quarter of 2023 with multiple banks entering receivership or otherwise seeking assistance; such a disruption or shock being a "Financial Disruption Event") could adversely affect any of these financial institutions, which in turn could have material adverse consequences for the Adviser, the Funds, and the Funds' portfolio companies. The severity of this risk could be increased by any exclusive arrangements entered into with these financial institutions.

A Financial Disruption Event affecting a bank or financial institution that has custody of the Funds' assets could adversely impact the value or integrity of those assets and the ability to retrieve and secure such assets. The affected Funds may experience delayed access to deposits or other financial assets or an uninsured loss of those deposits or other financial assets.

In particular, if LSPE or an affiliate has a banking relationship (for example, a payroll account) with a bank or other financial institution that experiences a Financial Disruption Event, our ability to manage or operate consistent with past business practices could be negatively impacted, potentially resulting in a disruption in operations.

Many of the Funds are structured as commitment vehicles. To the extent that a significant number of the limited partners or investors in such funds have banking relationships with a bank or financial institution that experiences a Financial Disruption Event, those limited partners may be unable to satisfy their capital



contribution obligations in a timely manner. Such situations could result in losses and other disruptions to the Funds and, ultimately, losses to investors.

Companies in which our Funds invest typically have their own banking or other relationships with banks and other financial institutions that present many of the same risks described above. In addition, a portfolio company that is unable to access a credit line because its bank experiences a Financial Disruption Event may require bridge or other temporary financing to meet its payroll or other obligations. If a letter of credit or other form of credit support was being provided to a portfolio company by a financial institution that experiences a Financial Disruption Event, such portfolio company may be in default of other obligations it may have requiring such letter of credit or credit support to be maintained.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective investors should read the Funds' governing documents in their entirety and consult their own counsel and advisors before deciding to invest in the Funds.

#### **ITEM 9 – DISCIPLINARY INFORMATION**

LSPE and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

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

The Management Company is affiliated with the General Partners and equivalent entities formed from time to time, and also with Edge Principal Advisors, LLC ("Edge"). The General Partners and their equivalent entities and Edge are subject to the Advisers Act pursuant to the Management Company's registration in accordance with SEC guidance. In addition, LSPE is affiliated with LS Power Development, LLC ("LS Power Development"), which, along with its affiliates, is engaged in the development and management of power generation and transmission infrastructure and related investment activities, and Tiber Capital Partners, LLC ("Tiber Capital"), which owns investment related entities, including Edge. LSPE and its personnel periodically provide support to and receive support from LSPE's affiliates in connection with certain investment-related activities.

Edge is presently separately registered as an investment adviser with the SEC in accordance with SEC guidance. Additional information about Edge is or will be available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

#### **Conflicts of Interest**

LSPE and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account, for the account of other Funds, and provide transaction-related, legal, management and other services to Funds and portfolio companies. LSPE will devote sufficient time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant partnership agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of LSPE conducting its activities, the interests of a Fund likely will conflict with the interests of LSPE, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, LSPE will determine all

matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

LSPE's affiliates and their respective officers and employees directly or indirectly manage the assets of other funds and have other clients and business activities that would in some respects compete with the Funds for certain investments. In addition, the Funds' investment flexibility could be constrained (e.g., the Funds may be forced to forgo certain potentially profitable investment opportunities or may be unable to dispose of an investment at an opportune time) as a result of certain material non-public information held by LSPE or its affiliates or for other reasons, including reasons arising from LSPE's affiliates' management of other funds.

Edge, LS Power Development, Tiber Capital and other affiliates of LSPE engage in a broad spectrum of activities, including financial advisory activities. Edge and other affiliates engage in investment activities for their own accounts or the accounts of others that are independent from and that can potentially conflict with those of the Funds. LSPE's affiliates will from time to time provide services to, invest in, advise, sponsor and/or act as investment manager to investment vehicles and other persons or entities, including prospective investors in the Funds, which may have similar structures and investment objectives and policies to those of the Funds. These other entities possibly can compete with the Funds for investment opportunities or, in certain cases, invest alongside the Funds in certain transactions.

LSPE's affiliates are not obligated to share investment ideas or opportunities with LSPE or the Funds, regardless of whether such opportunities are of the same nature as investments generally recommended to, or appropriate for, the Funds. LSPE's affiliates are not obligated to consider or include the Funds or any investor in the Funds in any profits or benefits earned or derived from any investment in which the Funds did not participate. LSPE has implemented policies and procedures and a compliance oversight program to address these conflicts. LSPE's senior management is responsible for ensuring that these policies and procedures are properly implemented and that all Funds are treated in a fair and equitable manner.

During the commitment period of a Fund, generally all appropriate investment opportunities that are available to a Fund will be pursued by LSPE principals through such Fund, subject to certain limited exceptions. Without limitation, LSPE principals currently manage, and expect in the future to manage, several other investment funds or other vehicles and expect to direct certain investments or opportunities similar to those in which a Fund will be investing to those other funds or vehicles (including, in certain situations, vehicles or accounts of LSPE or its affiliates). LSPE personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, and to pay or receive compensation relating to these arrangements. LSPE's principals and LSPE's investment staff will continue to manage and monitor such investments until their realization. Such other investments that LSPE principals expect from time to time to control or manage generally have the potential to compete with companies acquired by a Fund. Following the commitment period of a Fund, LSPE principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. Unless restricted by the governing documents, LSPE personnel are permitted to serve on boards or act in other roles unaffiliated with LSPE, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles.

From time to time, LSPE will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles or accounts operated by LSPE or advisory affiliates of LSPE or vehicles or accounts of LSPE or an affiliate. In determining which investment vehicles or accounts should participate in such investment opportunities, LSPE and its affiliates are subject to conflicts of interest among the investors in such investment vehicles and accounts. Investments by more than one client of LSPE, or by an account of LSPE or an affiliate, in a portfolio company also have the potential to raise the risk of using assets of a client of LSPE to support positions taken by other clients or accounts of LSPE.

LSPE must first determine which Fund(s), vehicles, or accounts will, or are required to, participate in the relevant investment opportunity. LSPE generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's limited partnership agreement, investment objectives, strategies, life-cycle and structure. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. LSPE will determine if the amount of an investment opportunity in which a Fund will invest exceeds the amount that would be appropriate for such Fund and LSPE reserves the right to offer any such excess to one or more potential co-investors (including accounts of LSPE or an affiliate), as determined by the Funds' partnership agreement(s), side letter(s) and LSPE's procedures regarding allocation. LSPE's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; whether the co-investor is considered "strategic" to the investment because it is able to offer a Fund certain benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the investment or the possession of certain expertise; the knowledge and sophistication of the proposed co-investor with respect to the relevant characteristics of the investment, as determined by LSPE in good faith; expressed interest in evaluating co-investment opportunities, including the intensity of that interest; the likelihood that the co-investor would require governance rights that would complicate or jeopardize the transaction; size of the investment allocation and practicality of dividing it up among multiple co-investors; existence of a formal or informal strategic relationship with the prospective co-investor; and lender requirements.

Furthermore, LSPE or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors. When and to the extent that employees and related persons of LSPE and its affiliates make capital investments in or alongside certain Funds, LSPE and its affiliates are subject to potential conflicting interests in connection with these investments. While LSPE will in good faith uphold its fiduciary duties to all of its Funds and comply with all contractual agreements under the Funds' governing documents, there can ultimately be no guarantee that any Fund's return from a transaction would be equal to and not less than another Fund, vehicle, or account participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

LSPE'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 LSPE will allocate investment opportunities in a manner that it believes is fair and equitable to its clients 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 LSPE expects to be subject, discussed herein, did not exist.

Where multiple Funds, investment vehicles or accounts, including those of LSPE or its affiliates, invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds, investment vehicles, or accounts may or may not provide such additional capital, and if provided, each Fund, vehicle, or account generally will supply such additional capital in such amounts, if any, as determined by LSPE in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, LSPE expects to face a potential conflict of interest with respect to the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund, investment vehicle, or account (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund, investment vehicle, or account enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, LSPE expects to be subject to potential conflicts of interest, for example, between a Fund or other investment vehicle with a reimbursement obligation and a Fund or other investment vehicle seeking reimbursement. LSPE intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness, without undue favoritism over time.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, investment vehicle, or account, or if it were to invest in the securities of a company in which another Fund, investment vehicle, or account has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds, investment vehicles, or accounts. This likely will result in differences in price, terms, leverage and associated costs. Where multiple Funds, investment vehicles, or accounts invest in the same company at different times, the first Fund, vehicle, or account to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds, vehicles, or accounts; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of Broken Deal Expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. LSPE and its affiliates may from time to time express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds, investment vehicles, or accounts participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to all parties. In that regard, actions taken for one or more Funds, investment vehicles, or accounts may adversely affect other Funds, vehicles, or accounts.

Subject to any relevant restrictions or other limitations contained in the partnership agreements of the Funds, LSPE will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, LSPE expects to be faced with a variety of potential conflicts of interest.

As a general matter, expenses typically will be allocated among all relevant Funds, investment vehicles, accounts, or co-invest vehicles eligible to reimburse expenses of that kind, though in some cases certain vehicles may not share certain expenses. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by LSPE or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses will not necessarily be proportional. The Funds or other investment vehicles generally have different expense reimbursement terms, including with respect to management fee offsets, which are expected from time to time to result in the Funds or other investment vehicles bearing different levels of expenses with respect to the same investment.

As a result of the Funds' controlling interests in portfolio companies, LSPE and/or its affiliates typically have the right to appoint portfolio company board members, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to LSPE and/or its affiliates. Such amounts will be in addition to any management fees or Carried Interest paid by a Fund to LSPE, subject to any offset provision in a Fund's governing documents.

Additionally, a portfolio company typically will reimburse LSPE or service providers retained at LSPE's discretion for expenses (including without limitation travel expenses) incurred by LSPE or such service providers in connection with its performance of services for such portfolio company. This subjects LSPE and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. LSPE determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, any fee paid or expense reimbursed to LSPE or such service providers generally is subject to: agreements with sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. LSPE believes that these factors help to mitigate related conflicts of interest.

In connection with its services to the Funds and their investments, LSPE, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of LSPE's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, LSPE and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "LSPE Information"). In many cases, LSPE Information will include tools, procedures and resources developed by LSPE to organize or systematize LSPE Information for ongoing or future use. Although LSPE expects its Funds and their portfolio companies generally to benefit from LSPE's possession of LSPE Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies and not by the Fund or portfolio company from which LSPE Information was originally received. LSPE Information will be

the sole intellectual property of LSPE and solely for the use of LSPE. LSPE reserves the right to use, share, license, sell or monetize LSPE Information, without offset to management fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, certain expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, “points,” “cash back,” rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset management fees.

LSPE generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contracts for services with certain service providers, and from time to time such service providers are expected to include: (i) LSPE or a related person of LSPE (which may include a portfolio company of such Fund), (ii) an entity with which LSPE or its affiliates or current or former members of their personnel has a relationship or from which LSPE or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where LSPE personnel are seconded, or from which LSPE receives secondees, or (iii) certain limited partners or their affiliates. For example, LSPE expects to be presented with opportunities to receive financing and/or other services in connection with a Fund’s investments from certain limited partners or their affiliates that are engaged in lending or related business. This subjects LSPE to conflicts of interest, because although LSPE selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, LSPE has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that LSPE, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or LSPE), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. LSPE will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although LSPE generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. In certain circumstances where LSPE commits or has committed to seek “market” or “arms-length” rates or terms, LSPE will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Consequently, LSPE undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets or services to which such rates or terms relate. Where such rates or terms include hourly components, LSPE reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for the services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not LSPE has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although uncommon, LSPE reserves the right from time to time to cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by LSPE, or co-investors or co-investment vehicles (including any continuation fund created by LSPE for purposes of

acquiring securities or assets of selected companies directly or indirectly from one or more Funds, or other sellers, and making follow-on investments in the securities or assets of such companies). Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund or related to the creation of a continuation fund by LSPE. Certain of such transactions are deemed cross transactions under the Advisers Act and raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund, or when one Fund acquires securities or assets owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. Consistent with the requirements with respect to cross transactions under the Advisers Act and as required by the governing documents and applicable regulation, LSPE will mitigate such conflicts by providing sufficient disclosure of all material facts and obtaining consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory committee) to such transactions. To the extent LSPE deems it appropriate under the particular circumstances, it may, among other things, seek the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) pertaining to the contemplated cross transaction. In certain circumstances, LSPE reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. LSPE intends that any such transactions be conducted in a manner that it believes are in the interest of both Funds under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

LSPE and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by LSPE and/or its affiliates; conversely, former personnel or executives of LSPE and/or its affiliates are expected from time to time to serve in significant management roles at portfolio companies or service providers recommended by LSPE. Similarly, LSPE, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, LSPE and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through LSPE entities) to LSPE personnel and their estate planning vehicles. LSPE expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide LSPE information about markets and industries in which LSPE operates (or is contemplating operations) or will provide other services that are beneficial to LSPE or one or more other Funds. LSPE expects to be subject to a potential conflict of interest in making such recommendations, in that LSPE has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund.

LSPE, its affiliates, and equity holders, officers, principals and employees of LSPE and its affiliates reserve the right to buy or sell securities or other instruments that LSPE has recommended to a Fund. The

investment policies, fee arrangements and other circumstances of these investments may vary from those of any Fund.

Subject to the fiduciary duties towards the Funds and to the extent not prohibited by the governing documents, LSPE and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles or accounts, the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the governing documents and anti-“assignment” provisions of the Advisers Act, LSPE and its personnel are also permitted to offer, restructure and monetize interests in LSPE.

As there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because management fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when LSPE may not otherwise have done so.

Since LSPE is permitted to retain certain Portfolio Company Fees (as described under “Fees and Compensation”) in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Portfolio Company Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of Portfolio Company Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, LSPE reserves the right to accrue, defer or forego payments of Portfolio Company Fees, and reserves the right to charge interest at then-available rates with respect to such amounts. In such cases, in accordance with the governing documents, investors will not receive the benefit of management fee offsets with respect to such amounts until they are actually received.

LSPE or certain affiliates have entered, and reserve the right to enter in the future, into side letters or other agreements with specific investors in the Funds. These agreements or side letters often establish, alter, or supplement the terms of the Funds' governing agreements with respect to only the investor to whom such side letter or agreement is addressed. Any rights established, or any terms altered or supplemented will govern only the investment of the specific investor and not the terms of a Fund as a whole. Such side letters provide benefits to certain investors in a Fund not provided to other investors in such Fund. Side letters or other agreements generally include adjustments to fees or expenses (including discounted or rebated compensation terms), additional rights to access certain information, priority co-investment rights or targeted co-investment amounts, excuse rights applicable to particular investments, additional rights on the transfer of Fund interests or additional reporting to comply with specified laws or regulations. Neither LSPE nor its affiliates will enter into a particular side letter or agreement if LSPE determines that the provisions contained in such side letter or agreement would be disruptive to the applicable Fund or its investment program. Side letters may also relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except where required by governing documents, other investors will not receive copies of side letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights



and/or terms as a result of such Side Letters. As a consequence of one or more limited partners being excused or excluded, or from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments.

Any of these situations subjects LSPE and/or its affiliates to potential conflicts of interest. LSPE attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by LSPE's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and other investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, LSPE will review the circumstances of such investment or relationship with a view to addressing and mitigating the potential for conflict. Where necessary, LSPE discloses, consults and receives consent to such conflicts from an advisory committee consisting of certain limited partners of the Funds.

The governing documents of the Funds contain more detailed descriptions of the applicable and respective potential conflicts of interests.

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

LSPE makes a concerted effort to create and support a strong culture of compliance. LSPE expects its employees, directors, officers, and supervised persons to comply with all applicable laws and regulations and to act in accordance with high ethical standards in matters with competitors, counterparties, regulators, and those who do business with or seek to do business with LSPE.

LSPE has developed and implemented a Code of Ethics (the "Code") and related policies and procedures to meet LSPE's regulatory obligations and address potential conflicts of interest. The Code and related policies and procedures set forth standards of conduct that require, among other things, that LSPE, its supervised persons and access persons, as applicable:

- Act in an ethical manner with the public, investors, prospective clients and investors;
- Place the interests of the Funds above their own personal interests;
- Not take inappropriate advantage of their position;
- Attempt to avoid actual or potential material conflicts of interest;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Comply with applicable provisions of the federal securities laws; and
- Conduct personal securities transactions in a manner that does not conflict with the interest of LSPE's clients.

In addition, LSPE's Code addresses the reporting, pre-clearance, and monitoring of:

- Personal securities transactions and holdings;
- Gifts and entertainment;
- Political contributions; and
- Outside business activities.

Pursuant to the personal securities transactions policies and procedures within the Code, access persons are required to pre-clear personal trades of most securities. The following securities and transactions are exempt from LSPE's pre-clearance policy: money-market funds; mutual funds; index-based securities; exchange-traded funds ("ETFs"); options on ETFs; commercial paper; unit investment trusts; direct or dividend re-investment plans; certificates of deposit; U.S. treasury obligations; debt securities issued by state and municipal governments and agencies of the U.S. or another sovereign state; derivative securities whose reference asset(s) is exempt from pre-clearance; digital assets; investments in private funds offered by LSPE or its affiliates; and actions occurring without employee input. From time to time, LSPE, its affiliates and its supervised persons and/or access persons are restricted from trading certain securities. If any such securities are restricted, personal trading pre-clearance requests will be denied. LSPE has also implemented policies and procedures to address the identification and handling of material non-public information and the prevention of insider trading.

LSPE's supervised persons are required to disclose all outside business activities upon hire and pre-clear new outside business activities. In the event an outside business activity presents a material conflict of interest with the Funds, LSPE reserves the right to restrict these outside business activities.

LSPE access persons must acknowledge their receipt of the Code, their understanding of the provisions contained in the Code, and their agreement to abide by the principles, policies, and procedures set forth in the Code.

A copy of LSPE's Code of Ethics is available upon request by contacting LSPE's Chief Compliance Officer, Jeffrey Wade at (212) 547-2914 or [jwade@lspower.com](mailto:jwade@lspower.com).

Certain principals and employees of LSPE and its affiliates typically directly or indirectly own an interest in the Funds, which may include certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of LSPE, as well as third party investors and other persons, and such co-investments may be effected through co-investment vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure. Additionally, a Fund generally reserves the right to invest together with other Funds advised by an affiliated adviser of LSPE in the manner set forth in the relevant limited partnership agreement.

From time to time, LSPE reserves the right to borrow funds on behalf of a Fund and contribute such borrowed amounts to the relevant Fund as a special capital contribution for investment, to be redeemed at a later date. Interest in connection with such borrowing is borne by the relevant Fund as a Fund expense, consistent with the relevant limited partnership agreement and the expense policy described under "Fees and Compensation." The relevant General Partner generally will not borrow in a Fund-level borrowing facility, and generally will not bear the related costs attributable thereto, including interest expenses or costs payable, in which case such amounts will be borne solely by the limited partners. In borrowing on behalf of a Fund, LSPE is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund. LSPE will effect such borrowings consistent with a Fund's limited partnership agreement and in a manner it believes to be fair and equitable under the circumstances to the Fund.

## **ITEM 12 – BROKERAGE PRACTICES**

### **General Brokerage Practices**

LSPE does not generally utilize the services of broker-dealers for transaction related services. In the event an investment requires LSPE to utilize a broker-dealer, LSPE shall seek to obtain best execution. LSPE has instituted policies and procedures to ensure that it will place Fund transactions with appropriate care and diligence, seek best execution and address any material conflicts of interest in accordance with the Company's applicable fiduciary responsibilities.

### **Research and Soft Dollar Arrangements**

LSPE currently does not have any formal soft dollar arrangements or other arrangements that would commit the Company or the Funds to any specific or implied level of trading. As an institutional money manager, LSPE receives access to research made available through brokerage counterparties. LSPE believes this research is available to all institutional money managers of similar size.

### **Trade Aggregation**

Due to the nature of LSPE's investment strategy, including that LSPE does not expect to transact in publicly-traded securities, LSPE does not anticipate that it will often, if ever, have the opportunity to aggregate trades on behalf of multiple clients.

### **Trade Errors**

Errors may occur during the trading process. It is LSPE's policy to correct errors occurring in the management or trading of the Funds' accounts as soon as practicable. The Funds' private placement and offering memoranda shall govern the treatment of trade errors committed by LSPE. Errors must also be reported to the Chief Compliance Officer and reviewed to determine whether policies or procedures should be changed to prevent future errors. The cost of errors in the Funds' accounts will be borne by the Funds unless an error is the result of bad faith, gross negligence, or willful misconduct by LSPE or, in the case of Funds subject to ERISA, a breach of ERISA's standard of care by LSPE. Gains associated with any trade error shall be retained by the affected Funds.

## **ITEM 13 – REVIEW OF ACCOUNTS**

LSPE's investment professionals review all Fund portfolio investments on a regular basis. In addition, LSPE's investment professionals closely monitor and review the valuations of all Fund portfolio investments. LSPE furnishes audited financial statements for the Funds to all investors on an annual basis. The Funds' financial statements are audited annually by independent certified public accountants registered with the Public Company Accounting Oversight Board.

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

The General Partner of each Fund intends to retain affiliated and non-affiliated marketing consultants and agents. As part of these agreements, and in accordance with applicable regulation, the consultants and/or

agents are paid a fee related to the amount of capital raised for each Fund. Fees paid by the Funds for marketing or fund raising are offset by a reduction of management fees due to LSPE.

#### **ITEM 15 – CUSTODY**

LSPE is deemed to have custody of the Funds' assets because the Management Company is affiliated with the General Partner of each Fund which has authority over the Funds' assets. Fund investors will not receive statements from the custodian. Instead, the Funds are subject to an annual audit by independent certified public accountants and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with U.S. generally accepted accounting principles and distributed to Fund investors within 120 days of the Funds' fiscal year end.

Fund assets, other than privately-offered securities that meet certain criteria as set forth in applicable SEC rules and SEC staff guidance, are held in custody by qualified custodians, including unaffiliated broker/dealers or banks.

#### **ITEM 16 – INVESTMENT DISCRETION**

LSPE does not provide investment advice to individual investors in the Funds. Rather, LSPE provides investment advice to the Funds. The Funds' advisory agreements provide LSPE with discretionary investment authority.

As a general policy, LSPE does not allow its discretionary advisory clients to place limitations on its authority. Consistently with the terms of the Funds' partnership agreements, however, LSPE is permitted to enter into side letter or similar arrangements with certain limited partners whereby the terms applicable to such limited partners' investments in the Funds are be 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**

LSPE has the authority to vote the proxies received on securities held by the Funds as well as other votes solicited for corporate actions affecting portfolio holdings. LSPE's objective is to vote proxies in the best interests of the Funds as mandated by the Funds' objectives described in the private placement memoranda.

LSPE's investment professionals monitor and opine on proxy proposals. In consultation with senior management, investment professionals will consider whether LSPE is subject to any material conflict of interest in connection with each proxy vote. Investment professionals must notify LSPE's Chief Compliance Officer if they are aware of any material conflict of interest associated with a proxy vote. Potential conflicts will be assessed on a case-by-case basis.

LSPE reserves the right to abstain from voting if the Company deems that abstinence is in the Funds' best interests.

Current investors may request a copy of the Company's full proxy voting policies and procedures and the voting records as provided by Rule 206(4)-6. Please contact LSPE's Chief Compliance Officer, Jeffrey Wade at (212) 547-2914 or [jwade@lspower.com](mailto:jwade@lspower.com).

**ITEM 18 – FINANCIAL INFORMATION**

LSPE does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.