

STABILIS

Stabilis Capital Management, LP

2 Grand Central Tower
140 E 45th Street
New York, NY 10017

Telephone: 212-256-8970
Facsimile: 212-256-8978
Website: www.stabiliscap.com

March 28, 2024

This Brochure provides information about the qualifications and business practices of Stabilis Capital Management, LP (“**Stabilis**”, the “**Adviser**” or “**we**”). If you have any questions about the contents of this Brochure, please contact us at by telephone at (212) 256-8970 or by email at compliance@stabiliscap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

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

Registration of an investment adviser with the SEC or with any state securities authority does not imply any level of skill or training.

Item 2 Material Changes

Stabilis' most recent update to Part 2A of Form ADV was made in March of 2023. Stabilis' business activities have not changed materially since the time of the prior update. This brochure has been updated to reflect Stabilis' regulatory assets under management as of December 31, 2023 and to supplement existing disclosures.

Item 3 Table of Contents

Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business.....	4
Item 5	Fees and Compensation	5
Item 6	Performance-Based Fees and Side-By-Side Management.....	7
Item 7	Types of Clients	8
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9	Disciplinary Information	13
Item 10	Other Financial Industry Activities and Affiliations.....	14
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	15
Item 12	Brokerage Practices.....	17
Item 13	Review of Accounts	18
Item 14	Client Referrals and Other Compensation	19
Item 15	Custody	20
Item 16	Investment Discretion	21
Item 17	Voting Client Securities	22
Item 18	Financial Information	24

Item 4 Advisory Business

Stabilis Capital Management, LP (the “Adviser”), a limited partnership formed under the laws of the State of Delaware, was formed on July 16, 2010. The Adviser’s principal place of business is in New York, New York. The Adviser is currently majority-owned by Stabilis Capital Management I, Inc., which in turn is wholly-owned by Salman A. Akbar Khan, who is a principal executive officer and management person of the Adviser.

The Adviser currently provides investment supervisory services on a discretionary basis primarily to private investment funds (the “**Funds**”) that are currently offered to investors. The Funds currently consist of Stabilis Fund IV, LP, a Delaware limited partnership (“**Master Fund IV**”), Stabilis Fund IV – Offshore, LP, a Cayman Islands exempted limited partnership (“**Offshore Fund IV**”), Stabilis Fund V, LP, a Delaware limited partnership (“**Master Fund V**”), Stabilis Fund V – Offshore, LP, a Cayman Islands exempted limited partnership (“**Offshore Fund V**”), Stabilis Bridge Fund II, LP, a Delaware limited partnership (“**Bridge Fund II**”), Stabilis Bridge Fund II, Cayman LP, a Cayman Islands exempted limited partnership (“**Bridge Fund II Cayman**”), Stabilis REIT (Onshore) LLC, a Delaware limited liability company (“**Onshore REIT**”), Stabilis REIT (Offshore) LLC, a Delaware limited liability company (“**Offshore REIT**”), together with Fund III, Offshore Fund III, Master Fund III, Master Fund IV, Offshore Fund IV, Master Fund V, Bridge Fund II, Bridge Fund II Cayman, Onshore REIT, and Offshore REIT, the “**Funds**” and together with any other advisory clients of the Adviser, “**Clients**”).

The Adviser may organize additional private investment funds in the future which utilize similar or different investment strategies than the Funds.

The Funds mainly invest in commercial real estate loans, principally by originating short term bridge loans secured by first lien positions against commercial real estate, and through loans acquired from banks and other financial institutions, the majority of which are and will continue to be secured by hard assets including, but not limited to, commercial real estate (collectively, the “**Portfolio Investments**”). Notwithstanding the foregoing, each Feeder Fund invests substantially all of its assets in the Master Fund pursuant to a master-feeder structure.

The Adviser will have discretionary authority to make the following determinations without obtaining the consent of clients before the transactions are effected:

- identifying, structuring and managing the Portfolio Investments;
- the securities that are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the brokers or intermediaries through which Portfolio Investments or other securities are to be bought or sold; and
- the commission rates (or other form of compensation) paid to brokers or intermediaries brokers or intermediaries for effecting Portfolio Investment and/or securities transactions for client accounts.

The Adviser manages the Funds in accordance with the terms of the offering documents applicable to the Funds. For additional information about the investment strategies see discussion under “*Methods of Analysis, Investment Strategies and Risks of Loss.*” Also, details regarding the investment objectives of each of the Funds can be found in the offering documents.

Shares or limited partnership interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”); nor are the Funds registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests or shares in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions.

As of December 31, 2023, the Adviser managed approximately \$255,514,501 in regulatory assets under management on a discretionary basis.

Item 5 Fees and Compensation

The Adviser currently receives a management fee from clients in Offshore Fund V, Master Fund V, Bridge Fund II and Bridge Fund II Cayman for its services (each, a “**Management Fee**”). The Adviser may receive a management fee from additional clients in the future. The Management Fee is generally paid quarterly in advance or at such other frequency as agreed to between the Adviser and the relevant client (each, a “**Fee Period**”). To the extent that any installment of the Management Fee is payable to the Adviser for any period other than a full Fee Period, then such installment shall be prorated based on the number of days in such Fee Period.

In addition to the Management Fee, the Adviser (or its affiliate) receives a carried interest allocation (the “**Carried Interest**”) entitling it to a prescribed portion of a client’s profits.

The agreements governing the Funds, such as the confidential private placement memorandum, the limited partnership agreement (or the relevant constituent document) and the investment advisory agreement (collectively, the “**Offering Documents**”), which were provided to Fund investors prior to their commitment or investment in the Funds, contain detailed information about the Management Fee and the Carried Interest.

The Adviser’s fee schedule is omitted because this Brochure is only being delivered to “qualified purchasers”, as such term is defined in the Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

The Adviser will directly deduct the Management Fee in advance from the investor’s capital account in the applicable Fund. The Adviser or the general partner of the relevant Fund may waive or reduce all or a portion of the fees with respect to an investor.

Expenses

In addition to paying Management Fees and, if applicable, the Carried Interest or other compensation, client accounts will or may also be subject to other investment expenses (whether performed by internal staff or third parties) to include organization expenses such as fees, costs and expenses for outside tax advisors, accountants, administrators, attorneys, auditors and other professional services, expenses associated with the preparation of the Fund’s financial statements, tax returns and each partner’s K-1, all direct and indirect costs and expenses related to the operation of the Funds to include costs and expenses incurred in identifying, sourcing, evaluating, investigating, negotiating, structuring, trading, settling, monitoring, servicing, holding and disposing of Portfolio Investments (including any such expenses incurred in connection with Portfolio Investments that are not consummated), all costs and expenses incurred in connection with the Funds’ hedging strategies, all costs and expenses for financing, legal, accounting, information technology, advisory, consulting, research and brokerage services (whether performed by internal staff of the General Partner and/or the Adviser or by third parties), and all travel expenses (including lodging and meal expenses) and all transaction fees to third parties (including certain Limited Partners and/or Affiliates of the General Partner and the Adviser) incurred in operating the Fund, in each case to the extent not reimbursed by third parties or capitalized as part of the acquisition price of any Portfolio Investment, expenses associated with the management, operation, development, improvement, holding, financing and disposition of Portfolio Investments (to the extent not otherwise paid by a third party) or other partnership assets, the fees and reasonable costs of any independent valuation consultant engaged in connection with the valuation of Portfolio Investments or other partnership assets or liabilities, brokerage commissions, custodial expenses, other bank service fees, and other investment costs, fees and expenses incurred in connection with making, holding, settling, monitoring or disposing of actual Portfolio Investments or other partnership assets, brokerage commissions, custodial expenses, other bank service fees, and other investment costs, fees and expenses incurred in connection with making, holding, settling, monitoring or disposing of actual Portfolio Investments or other partnership assets, expenses of winding up and liquidating the Partnership, meeting expenses for any meetings of the Limited Partners; and any entity-level taxes, fees or other governmental charges levied against the Funds and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Funds.

Please refer to Item 12 in this Brochure for a discussion of Stabilis' brokerage practices, including factors that we consider when selecting brokers and dealers for client transactions.

Clients will be required to pay Management Fees to the Adviser quarterly in advance with respect to each Fee Period.

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

As noted in Item 5 above, the Adviser (or its affiliate) may receive a Carried Interest allocation entitling the Adviser to a portion of a client's profits. The Adviser and its investment personnel will provide investment management services to multiple portfolios for multiple clients. When the Adviser and its investment personnel manage more than one client account, a potential exists for one client account to be favored over another client account as there may be differences in the structure of the Carried Interest. Differences in the Carried Interest structure could create potential conflicts in that the Adviser and its investment personnel could have a greater incentive to favor a client that provides the Adviser with the most favorable Carried Interest structure versus other clients that provide the Adviser with an inferior or no Carried Interest structure.

Investment personnel may also have conflicts in allocating their time and services among multiple clients. Further, it is possible that the various client accounts managed could have different investment strategies that, at times, might conflict with one another to the possible detriment of a client's account. One account may seek to participate in a transaction in which another account may have made (or may seek to make) an investment. The two accounts may have conflicting interests and objectives in connection with the transactions, including how they view the operations or activities of the portfolio or issuer, the targeted returns from the transaction, and the timeframe for, and method of, exiting the transaction.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably.

The Adviser addresses the potential conflicts of interest in allocating investment opportunities by following allocation policies which provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's governing documents. Additionally, the Adviser generally does not invest in multiple funds with the same investment strategy at the same time. To the extent that the Adviser does in the future manage Funds with similar strategies at the same time, the Adviser will ensure that the allocation of investment opportunities is in accordance with each Fund's governing documents and is not based on the amount of compensation received by Stabilis or its personnel.

Item 7 Types of Clients

The Adviser currently provides investment advice to private investment funds such as the Funds. Investors in the Funds are typically high net-worth individuals, other pooled investment vehicles, pension and profit-sharing plans, trusts, estates or charitable organizations, and other corporations or business and/or entities. Fund III, Master Fund IV, Master Fund V, and Bridge Fund II limit investors to persons who are both “qualified purchasers” as defined in the Investment Company Act, and “accredited investors” as defined in the Securities Act of 1933, as amended. Investors in the Offshore Fund must either be non-U.S. persons or, if U.S. persons, be both “qualified purchasers” and “accredited investors”. An investment in a Fund can be subject to a prescribed minimum investment amount unless otherwise waived. Such minimum amount is disclosed in the Offering Documents for the particular Fund.

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

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations to its clients. The Adviser will combine multiple indicators that historically have been shown to add value in its investment decisions. The Adviser can objectively assess the weight of the evidence and make strategic decisions about its investment mix.

The Adviser intends to mainly invest in commercial real estate loans, principally by originating short term bridge loans secured by first lien positions against commercial real estate, and through loans acquired from banks and other financial institutions, the majority of which are and will continue to be secured by hard assets including, but not limited to, commercial real estate. It expects to target loans that offer an opportunity to achieve attractive returns over a relatively short investment period.

The Adviser anticipates that the Funds will typically invest in commercial loans ranging in investment amounts from \$1 million to \$50 million in face amount. In substantially all cases, the Funds will hold a first mortgage position in the event of a borrower's default on these loans.

The addressable market for off-the-run whole loans is large and diverse. By utilizing a team of professionals with decades of experience sourcing, analyzing and managing these investments, the Adviser conducts extensive collateral evaluation and due diligence. The Adviser devotes extensive time and resources to determine the value of the collateral underlying the loans prior to purchase.

The Adviser will seek to diversify the Funds' portfolio by targeting investments across various geographic regions. The Adviser will also review investment opportunities across a broad range of property types to further diversify the portfolio and to maximize the opportunity set of loans available in the market.

Risk of Loss

Generally, investing in securities and other investment assets involve risk of loss of the principal amount invested. Clients and investors in the Funds should be prepared to bear any risk of loss. Investing in Portfolio Investments may raise unique investment risks, as summarized below. The risk summary contained herein is intended solely as a summary and is not an exhaustive list of risk. Risks associated with each Fund are described in the relevant Offering Documents. Those documents also disclose potential risks for each Fund in greater and more particularized detail than the summary set forth below.

Acts of God and Geopolitical Risks. The performance of our Clients could be impacted by acts of God or other unforeseen and/or uncontrollable events (collectively, "Disruptions"), including, but not limited to, war, invasions, natural disasters, public health emergencies (including any outbreak or threat of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, ebola, or other existing or new pandemic or epidemic diseases), terrorism, social and political discord, geopolitical events, national and international political circumstances, and other unforeseen and/or uncontrollable events with widespread impact. These Disruptions may affect the level and volatility of security prices and liquidity of any investments. There is risk that unexpected volatility or lack of liquidity will impair an investment's profitability or result in its suffering losses. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or securities industry participants in other countries or regions.

The extent of the impact of any such Disruptions on Stabilis, its Clients, and any underlying portfolio company's operational and financial performance will depend on many factors, including the duration and scope of such Disruptions, the extent of any related travel advisories and restrictions implemented, the impact of such Disruptions on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its interference with important global, regional and local supply chains and economic

markets, all of which are highly uncertain and cannot be predicted. A Disruption may materially and adversely impact the value and performance of any investment, the ability to source, manage and divest investments, and our ability to achieve our Clients' investment objectives, ultimately resulting in significant losses to Clients and investors. In addition, there is a risk that a Disruption will significantly impact the operations of Stabilis, its Clients, and their underlying portfolio companies, or even temporarily or permanently halt their operations.

In evaluating potential Portfolio Investments, the Adviser will, in the course of conducting due diligence, evaluate the strength of the relevant borrowers' assets. The success of a Fund's investment strategy will depend in part on the relative accuracy of such evaluations. Because information obtained and evaluated during the diligence process may be incomplete or inaccurate, and because asset valuation involves a high degree of uncertainty, there can be no assurance that a Fund will be able to accurately make such evaluations in all cases.

In some cases, the success of a Fund's investment strategy will depend, in part, on the success of the Adviser's efforts to assess a potential Portfolio Investment's sensitivity and susceptibility to market disruptions and other extraordinary events. The activity of identifying and making such assessments entails a high degree of uncertainty and, therefore, there can be no assurance the Adviser will be able to successfully do so in all cases.

Certain Portfolio Investments may take several years from the date of the initial investment to reach a state of maturity when realization of the Portfolio Investment can be achieved. It is anticipated that there will not be a public market for some or all of the Portfolio Investments held by a Fund at the time of their acquisition. A Fund may generally not be able to sell such Portfolio Investments publicly.

Portfolio investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a portfolio company or a counterparty to a Fund or a portfolio company) to perform its obligations until the force majeure event is remedied or abates. In addition, certain forced events, such as the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or a Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which Funds may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to a Fund, including if the investment in such portfolio companies is canceled, unwound or acquired (which could be without adequate compensation). Any of the foregoing may therefore adversely affect the performance of a Fund and its investments.

The Funds may be exposed to the risk that one of the banks, brokers, hedging counterparties, lenders or custodians of some or all of the Fund's assets fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress. An event of financial distress could result in the Adviser being unable to access deposits for an extended period of time or ever. Although assets held by regulated financial institutions in the U.S. frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation in the case of banks or the Securities Investor Protection Corporation in the case of certain broker-dealers, amounts in excess of the insurance limits are subject to risk of loss.

Risks Associated with Types of Securities that are Primarily Recommended (Including Significant or Unusual Risks)

A concern in originating and purchasing the Portfolio Investments is the possibility of material misrepresentation or omission on the part of the issuers of such Portfolio Investments. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the Portfolio Investments, or may adversely affect the likelihood that a lien on the collateral securing the Portfolio Investments has been properly created or perfected. The Adviser will rely upon the accuracy and completeness of representations made by borrowers and sellers of the Portfolio Investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund may be reclaimed if any such payment or distribution is later determined to have been made with an intent to defraud or prefer creditors.

A Fund will be exposed to losses resulting from borrower default. Therefore, the value of the underlying collateral, the priority of the lien and other material considerations are of great importance. The Adviser cannot guarantee the adequacy of the protection of a Fund's interests, including the validity or enforceability of the applicable loan purchase contract and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, the Adviser cannot assure that claims may not be asserted that might interfere with enforcement of a Fund's rights.

It is possible that a Fund may find it necessary or desirable to foreclose on certain loans. The foreclosure process is often lengthy and expensive. Borrowers may resist mortgage foreclosure actions by asserting numerous claims, counterclaims and defenses against a Fund, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action and force the lender into a modification of the loan or a favorable buy-out of the borrower's position. In some states, foreclosure actions can sometimes take several years or more to litigate. At any time prior to or during the foreclosure proceedings the borrower may file for bankruptcy, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the mortgaged property and may result in disrupting the ongoing leasing, management and operation of the property, and may negatively affect the sales price of the property.

A Fund's investments will be subject to the risks inherent in the ownership of real property to the extent that real property will typically be underlying collateral for such Fund's loan investments. These risks include, but are not limited to, typical expenses incurred in connection with the ownership of real property; general and local economic conditions; the supply and demand for properties; fluctuations in the average occupancy and rental rates; the financial resources of tenants; changes in building, environmental, and other laws; changes in real property tax rates; changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable; negative developments in the economy that depress travel activity; environmental liabilities; uninsured casualties; the quality and philosophy of management; competition based on rental rates; quality of maintenance; changes in operating costs; the exercise of the right of eminent domain by governmental entities; terrorism; acts of God and other factors beyond the control of the Adviser.

Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate (which may include a lender such as a Fund in some instances) may be required to investigate and clean up any hazardous or toxic substances or petroleum product releases and may be liable for the costs in connection with such contamination. These laws typically impose clean-up responsibility and liability without regard to whether the owner knew of, or was responsible for, the presence of the contaminants, and the liability under such laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility. The cost of investigation, remediation or removal of such substances may be substantial, and the owner's liability as to any property is generally not limited to the value of the property and/or the aggregate assets of the owner. Furthermore, the presence of such substances on such property may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral.

It is anticipated that certain debt instruments purchased by the Adviser for a Fund will be non-performing and possibly in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to the loans. By their nature, these investments will involve a high degree of risk. Portfolio Investments in workout and/or restructuring modes or under the United States Bankruptcy Code are subject to additional potential liabilities, which may exceed the value of the Partnership's original investment.

The Adviser primarily invests in debt obligations. Various laws enacted for the protection of creditors may apply to any indebtedness in which a Fund invests. There may be instances where borrowers of loans in which a Fund invests seek protection under bankruptcy law. Insolvency considerations may differ with respect to other borrowers. Additionally, many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of a Fund, including, for example, finding that a borrower did not receive fair consideration for incurring indebtedness, in such a case the court could determine to invalidate the debt, subordinate the indebtedness to the claims of other creditors or recover amounts paid in satisfaction of the debt.

Additional risks can be found in the governing documents of the Funds.

Item 9 Disciplinary Information

There are no legal or disciplinary events that are material to a limited partner's or prospective limited partner's evaluation of Stabilis' advisory business or the integrity of Stabilis' management.

Item 10 Other Financial Industry Activities and Affiliations

Stabilis and its management personnel are not registered as, and do not have any application pending with the SEC to register as a broker-dealer or registered representative of a broker-dealer, nor with the CFTC as a futures commission merchant, commodity pool operator or commodity trading advisor.

Stabilis or its affiliates serve as the general partner of the Funds as described above.

Each of the Funds has or may in the future enter into agreements, or “side letters,” with certain prospective or existing limited partners or shareholders whereby such limited partners or shareholders may be subject to terms and conditions that are more advantageous than those set forth in the relevant Offering Documents. For example, such terms and conditions may provide for special rights to make investments in a Fund, other investment vehicles or managed accounts; additional or different rights with respect to Management Fees payable to the Adviser and/or the Carried Interest allocable to the Adviser (or its affiliate); special rights relating to frequency or notice; rights to receive reports from a Fund on a more frequent basis or that include information not provided to other limited partners or shareholders (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by a Fund and such limited partners or shareholders. The modifications are solely at the discretion of the relevant Fund and may, among other things, be based on the size of the limited partner’s or shareholder’s investment in such Fund or fund or affiliated investment entity.

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

The Adviser has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 of the Advisers Act that obligates the Adviser and its related persons to put the interests of the Adviser’s clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. All of the Adviser’s personnel will be required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting the Adviser’s CCO by telephone at (212) 256-8970 or by email at compliance@stabiliscap.com. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities (e.g., board or credit committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and will enforce written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a Portfolio Investment or security, but the Adviser will be prohibited from communicating such information to the client or using such information for the client’s benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client’s benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Adviser, its Employees (as defined below) and/or the Employees’ relatives may invest in the same Portfolio Investments or securities that the Adviser recommends to clients. However, their participation in such Portfolio Investments or securities generally takes the form of an investment in the relevant Fund that also invests in such Portfolio Investments or securities.

The Adviser recognizes that the personal investment transactions of members and employees of the Adviser demands the application of a high code of ethics and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, the Adviser believes that if investment goals are similar for clients and for Employees, it is logical that there be a common ownership of some Portfolio Investment or securities. However, it is the express policy of the Adviser that no Employee may purchase or sell any Portfolio Investment or security prior to a transaction being implemented for a client account, thereby preventing such Employee from benefiting from transactions placed on behalf of the Adviser’s advisory clients. In order to address potential conflicts of interest, the Adviser has adopted a set of procedures with respect to transactions effected by its partners, officers and employees (hereafter, “Employees”) for their “personal accounts.” In order to monitor compliance with its personal trading policy, the Adviser utilizes a quarterly securities transaction reporting system for all of its Employees. (For purposes of the policy, an Employee’s “personal account” generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including the Adviser’s client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.) The procedures adopted by the Adviser include the following, among other things:

- Employees may not buy or sell Portfolio Investments or securities for their personal portfolio(s) where his or her decision is substantially derived, in whole or in part, by reason of his or her employment at the Adviser, unless the information is also available to the investing public on reasonable inquiry. No Employee shall prefer his or her own interest to that of clients.

- The Adviser requires that all Employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- Any Employee not in observance of any of the above may be subject to termination.

The Adviser may enter into side letter agreements with certain investors that provide such investors with additional or differential rights, including but not limited to excuse rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to such investments), information rights, waiver of certain confidentiality obligations and withdrawal or transfer rights.

The Adviser may offer investors and other third parties the opportunity to co-invest in particular investments alongside an investment vehicle. Co-investment opportunities offered to investors will be allocated as determined by the Adviser in their discretion, and there is no guarantee for any investor that it will be offered co-investment opportunities. As a general matter, the Adviser, in determining the allocation of co-investment opportunities, generally expects to take into account various facts and circumstances deemed relevant by the Adviser, including among others, whether a potential co-investor has expressed interest in evaluating co-investment opportunities, whether a potential co-investor has a history of participating in co-investment opportunities with the Adviser, the size of the potential co-investor's interest to be held in the underlying portfolio company as a result of the applicable investment (which is likely to be based on the size of the potential investor's capital commitment and/or investment in the applicable investment vehicle), whether the potential co-investor has demonstrated a long-term or continuing commitment to the potential success of the Adviser, the applicable investment vehicle, or other co-investment and/or other investment vehicles, and such other factors that the Adviser deems relevant under the 14 circumstances. The terms and conditions of any co-investment opportunities will generally be negotiated by the Adviser's senior management and the potential co-investor on a case-by-case basis.

Item 12 Brokerage Practices

The Adviser does not currently receive research or other products or services from a broker-dealer and/or a third-party in connection with client securities transactions nor does it participate in any soft dollar arrangements.

The Adviser currently does not consider whether the Adviser or a related person receives client referrals from a broker-dealer or third-party in selecting or recommending broker-dealers or intermediaries to effect Portfolio Investments or securities transactions for client accounts.

Item 13 Review of Accounts

Salman A. Akbar Khan, Managing Member of the General Partner of the Adviser, will review Portfolio Investments and other securities in client accounts on a periodic basis, typically weekly but no less frequently than monthly. More frequent reviews of client accounts may be triggered by changes in variables such as market, political, or economic circumstances, or a change in the clients' individual circumstances.

Significant market events affecting the prices of one or more Portfolio Investments or securities in client accounts, among other things, may trigger reviews of client accounts on other than a periodic basis.

Each Fund investor will receive unaudited quarterly statements and an annual audited financial report, which typically includes financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) from the Adviser. The reports include a Statement of Financial Condition, Statement of Operations, Statement of Changes in Partners' Capital and Statement of Cash Flows. Such reports may be delivered electronically to such investors in accordance with the investors' agreement with the relevant Fund.

Item 14 Client Referrals and Other Compensation

The Adviser has engaged and may engage in the future placement agents to solicit clients for the Funds.

The Adviser and its employees currently do not receive any economic benefits from non-clients for providing services to clients.

Item15 Custody

The Adviser or its affiliates are generally deemed to have custody of client assets within the meaning of Advisers Act Rule 206(4)-2, with respect to each of the Funds assets because certain of its affiliates act as general partner, managing member and directors of the Funds. All the Funds' assets are maintained by qualified custodians, an independent public accounting firm subject to inspection by the Public Company Accounting Oversight Board audits the Funds' financial statements annually and the Funds' audited financial statements are distributed to investors within 120 days of the Funds' fiscal year end.

Item 16 Investment Discretion

The Adviser will provide investment advisory services on a discretionary basis to the Funds. Any limitations with respect to such investment discretion are set forth in the Offering Documents and the applicable investment management agreement.

The Adviser will have the authority to determine (i) the securities or other investments to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement, any written investment guidelines or the Offering Documents, as the case may be) and (ii) the amount of Portfolio Investments or securities to be purchased or sold for the client account. Because there may be differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and Portfolio Investments or securities held.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that clients are treated fairly and, endeavor to correct such errors. The Adviser will have discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. Trade errors that are a result of a breach of a standard of care other than gross negligence, criminal or willful misconduct are borne by the client account.

Item 17 Voting Client Securities

Due to the nature of securities purchased by Stabilis on behalf of the funds under its management, a scenario that involves a proxy voting scenario is remote. To the extent such a scenario materializes, all proxies will be voted solely in the best interest of the relevant client. Stabilis will ensure that a record of each securities position held by a Fund is maintained and, where any such vote is to occur, Stabilis will ensure that all relevant information, disclosure materials and such proxies or consents as necessary for Stabilis to be able to cast votes are delivered in a timely manner.

While each proxy is different and applicable Stabilis personnel will evaluate each proxy in light of the affected client's best interests, it is expected that a client's interests generally will be best served by voting in favor of the following

- proposed directors, if unopposed;
- the annual election of directors. Stabilis believes shareholders should have the opportunity annually to express confidence in the board of directors;
- company management's recommendation of independent auditors;
- stock incentive plans for employees and directors; and
- management request for authorization to increase the number of authorized common shares and/or for stock splits.

In the absence of specific detrimental information, Stabilis will generally vote against:

- proposals that make it more difficult to replace members of a board of directors;
- shareholder proposals to withdraw from specific countries. Stabilis believes that management is usually in the best position to evaluate the economic benefits and risks of their foreign operations;
- shareholder proposals requiring pre-emptive rights because such rights are too confining; and
- shareholder proposals that create staff costs to serve a narrow interest such as:
 - reporting on management's prior government service;
 - disclosure of executive officer compensation beyond what is required by the SEC; and
 - environmental reports beyond those required by law.

Material Conflicts of Interest

The above proxy voting guidance is designed to ensure that client proxies are properly voted, material conflicts are avoided and fiduciary obligations are fulfilled. Because Stabilis personnel are discouraged from engaging in any material business other than providing investment management services to clients, it is highly unlikely that any specific client proxy will result in a material conflict of interest between Stabilis or any Stabilis personnel and

any client. Failure to vote with management may harm the Adviser's relationship with a certain company.

In the unlikely event that (i) a specific proxy is not addressed by any of the guidelines above; and (ii) Stabilis or any of its personnel has a material conflict with a client in connection with the voting of proxies, as determined by the Adviser, in its sole discretion, Stabilis shall (A) prohibit any conflicted Stabilis personnel from participating in and/or having any influence on Stabilis' evaluation of the proxy vote; (B) vote in accordance with the proxy voting recommendations of a majority of such clients; or (C) follow the proxy voting recommendations of an independent third-party proxy voting specialist.

Item 18 Financial Information

Stabilis is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual and fiduciary commitments to its clients, nor has it been the subject to any bankruptcy proceeding.