



ITEM 1. COVER PAGE

FORM ADV PART 2A - FIRM BROCHURE

QUANTUM CAPITAL GROUP

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This brochure provides information about the qualifications and business practices of QEP Advisers, LLC (the "Company" or "QEP Advisers"). QEP Advisers is the investment adviser to certain private funds sponsored by Quantum Energy Partners and its affiliates. Quantum Energy Partners and its affiliates rebranded under the common name Quantum Capital Group ("Quantum" or the "Firm") in May 2023. If you have any questions about the contents of this brochure, please contact us at (713) 452-2000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about the Company is also available on the SEC's website at www.adviserinfo.sec.gov. Registration of an investment adviser does not imply any level of skill or training.

ITEM 2. MATERIAL CHANGES

The following changes have been made to this brochure since the filing of the last annual update on March 31, 2023:

- Quantum Energy Partners and its affiliates rebranded under the common name Quantum Capital Group in May 2023.
- Roman Beijer joined Quantum Capital Group in September 2023, as Partner and General Counsel. James Baird, Partner and General Counsel, became Partner and General Counsel Emeritus in January 2024.

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ITEM 4. ADVISORY BUSINESS

QEP Advisers, LLC, a Delaware limited liability company, was formed in April 2014 to be the SEC registered investment adviser providing advisory services to investment funds sponsored by Quantum from and after 2014 (each, an “Advisory Client”¹). QEP Advisers is wholly owned by QEP Partners, LP, whose principal indirect owner is S. Wil VanLoh, Jr. Quantum Energy Partners and its affiliates rebranded under the common name Quantum Capital Group in May 2023.

Quantum was founded in 1998 and has become one of the leading providers of private capital to the global energy industry, managing a family of energy-focused investment funds with a primary emphasis in the oil and gas, midstream, power generation and oilfield service sectors. Today, Quantum has a platform of investment strategies to take advantage of a wide array of opportunities within the energy ecosystem by making private equity and equity-related investments, as well as investments in credit in energy-related assets and companies (including but not limited to energy-alternative, electric, renewables and energy infrastructure, energy technology). These funds and related investment vehicles, including parallel and co-investment entities, are the Advisory Clients for which QEP Advisers and its related persons will direct the investment activities in accordance with the terms and provisions of the documents governing such entities.

Interests in Quantum-sponsored investment funds are privately offered only to qualified investors (institutional investors and high net worth individuals) pursuant to exemptions available under the Securities Act of 1933, as amended, and the regulations promulgated thereunder. None of the funds are registered with the SEC as investment companies based on specific exclusions from the Investment Company Act of 1940, as amended. Affiliates of Quantum may invest in or alongside such Advisory Clients. In addition, a limited number of qualified individuals who are not employees of Quantum but who have pre-existing business relationships with Quantum or possess specific industry expertise may also invest in or alongside Advisory Clients. Quantum from time to time may also establish other investment vehicles for the purpose of purchasing one or more investments from an Advisory Client (often where the selling Advisory Client is approaching the end of its term) in connection with or alongside another Advisory Client making an investment.

Quantum is managed by a core group of energy experts who have spent most of their careers evaluating, managing, and financing investments across multiple energy sectors and related markets. This group is complemented by a highly qualified team of energy investment professionals. Mr. VanLoh, with input from other key members of Quantum is responsible for overall management of Quantum’s activities. Quantum’s Investment Committees, comprised of

¹ “Advisory Client” means any account or fund for which Quantum provides investment advice on a discretionary or nondiscretionary basis. The investors and other persons who invest in Quantum’s Advisory Clients are generally referred to herein as “investors.” Unless otherwise expressly stated herein, the term “Advisory Clients” does not include “investors.”

Mr. VanLoh and other key members of Quantum, are responsible for making recommendations with respect to investments to be made by Advisory Clients.

Investors and prospective investors in each Advisory Client should refer to the governing documents of that Advisory Client for information on the investment objectives and investment restrictions, fees and expenses, conflicts, and other pertinent information with respect to that Advisory Client. There can be no assurance that any Advisory Client's investment objectives will be achieved. Quantum's services are generally not tailored to the individualized needs of any particular investor of any Advisory Client (unless the investor entered into a separate investment advisory agreement with Quantum). Since Quantum does not provide individualized advice to investors (and an investment in an Advisory Client does not, in and of itself, create an advisory relationship between the investor and Quantum), investors must consider whether a particular Advisory Client meets their investment objectives and risk tolerance prior to investing. Quantum will accept separately managed accounts or funds of one investor if certain requirements are met.

As of December 31, 2023, QEP Advisers managed approximately \$19,721,005,094 in regulatory assets under management, all of which was managed on a discretionary basis.

ITEM 5. FEES AND COMPENSATION

This section contains summary of the fees and expenses that are typically charged to Advisory Clients. Please refer to the governing documents of the particular Advisory Client of interest for detail information regarding fees and expenses specific to that Advisory Client.

Management Fees

The Company or its affiliated general partners receive management fees from Advisory Clients. The annual management fee is typically in the range of 1-2 percent of investors' committed capital during the relevant Advisory Client's investment period. Certain Advisory Clients formed as co-investment funds may not pay a management fee. Following the termination or expiration of the investment period, the fee percentage is typically applied only to the amount of investor capital actually invested in portfolio investments that have not been realized. The management fee percentage may also be reduced depending on whether a subsequent Advisory Client commences to pay a management fee. Management fees are paid by or on behalf of an Advisory Client and may be funded by requiring investors in such Advisory Client to make capital contributions or by having the Advisory Client pay such fee from other assets, including investment proceeds or short-term borrowings.

The percentage rate and the amount to which such rate is applied to determine the management fees payable by an Advisory Client are generally established at the time an Advisory Client is organized and are paid proportionately by all third-party investors. The management fees are paid quarterly in advance or in arrears. The documents governing the Advisory Client provide that if the term for which the fees are paid or the manner in which the fees are calculated changes, or if Quantum serves as investment manager for less than a full quarterly period subsequent to any advance payment, adjustments to such fees will be made, including refunding overpayments, based on the number of days remaining in the applicable period. The manner of calculation and application of management fees are detailed in the documents governing the Advisory Client and disclosed in the offering documents by which interests in the Advisory Client were or are offered and sold.

The general partner (or similar managing fiduciary) of an Advisory Client, and affiliates and equity owners of Quantum that invest in or alongside an Advisory Client generally do not pay management fees. Certain individuals who are not employees of Quantum but who have pre-existing business relationships with Quantum or possess specific industry expertise that invest in or alongside an Advisory Client may not be required to pay management fees or may pay fees at a reduced rate).

Transaction Fees

Advisory Clients, or companies in which they make investments, may pay to Quantum transaction fees, break-up fees, monitoring fees and other similar advisory fees relating to specific transactions or portfolio investments (collectively, "Transaction Fees"). To the extent Quantum or any its affiliates are entitled to receive any Transaction Fees, all of such fees will

reduce the management fees otherwise payable by the Advisory Client. Quantum believes that this dollar-for-dollar management fee offset substantially mitigates any potential conflict Quantum or any of its affiliates may have to the extent that it has an opportunity to earn a Transaction Fee from any acquisition, disposition or other transaction relating to an Advisory Client.

Expenses

The Firm pays all ordinary overhead and administrative expenses, (including salaries, bonuses and similar compensation, cost-based payments for shared back office and administrative services, rent, equipment expenses and any general partner regulatory expenses) to the extent that such expenses are not Operating Expenses of Advisory Clients or a portfolio investment. If Quantum, or its affiliates bears or advances payment of any Operating Expense, the Advisory Client or portfolio investment shall reimburse the Firm, as applicable.

Each Advisory Client is governed by its own governing documents, which details a description of expenses for such Advisory Client. While differences exist among Advisory Clients, the following is a description of expenses generally charged to each Advisory Client:

Organizational Expenses. To the extent not paid or reimbursed by a portfolio investment, expenses, costs and liabilities incurred in connection with the establishment, organization, negotiating, funding and start-up of the Advisory Client, the general partner, any parallel investment vehicle and any general partner or other control person of any parallel investment vehicle, and warehoused investments (including travel which may include private air travel), lodging, meals, entertainment, printing, mailing, postage, courier, legal, administrative or other filings, capital raising, accounting and regulatory compliance (including the initial and/or preliminary registrations, filings and compliance contemplated by various regulations including AIFMD, anti-money laundering and “know-your-client” laws, (including the use of any third-party administrator for such purposes) and the engagement of any third-party compliance consultants), the preparation of, and negotiations, execution and delivery with respect to, Advisory Client agreements or other similar agreements in respect of any parallel investment vehicles, private placement memoranda and supplements thereto, presentations and other marketing materials, investment management agreements and any side letters, marketing materials or arrangements with placement agents, and any related or similar documents any other similar agreement, (collectively, “Organizational Expenses”). The total amount of the organizational costs, including costs of soliciting investors, that these investors are required to pay are generally capped in the governing documents for an Advisory Client with any excess to be borne by Quantum through a reduction in management fees of such excess.

Operating Expenses. Expenses, costs, fees, obligations, and liabilities relating to the Advisory Client’s activities, business, actual or potential investments (to the extent not paid or reimbursed by a portfolio investment or potential portfolio investment), including all expenses, costs, fees, obligations and liabilities referred to collectively as “costs” relating or attributable to:

- (i) Management Fees;

- (ii) Organization Expenses;
- (iii) activities with respect to the origination, discovery, identification, sourcing of investment opportunities and developing and maintaining an investment pipeline;
- (iv) activities with respect to pursuing, structuring (including the tax structuring during the organizational process), organizing, investigating, studying (including preparing market studies or any assessments of any site or energy resource), negotiating, consummating, evaluating, financing, refinancing, syndicating, diligencing, designing, acquiring, bidding on, developing (including developing, licensing, implementing, maintaining or upgrading any information technology systems, including any subscriptions to any industry periodicals or data providing services or research services), owning, managing, monitoring (including monitoring the financial condition and other relevant operating performance metrics of investments and systems related thereto), operating, holding, hedging (or entering into any other over-the-counter derivative instruments), restructuring, recapitalizing, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of actual or potential investments (including follow-on Investments and other transactions involving the deployment of Advisory Client capital) or seeking to do any of the foregoing (including any associated legal, financing, banking, commitment, transaction or other costs payable to advisors, attorneys, accountants, tax professionals, investment bankers, lenders, financing sources, expert networks, third-party diligence and deal-sourcing providers, software and service providers, operating partners², advisors, consultants (including executive partners and advisory councils), experts, advisors or independent appraisers, data scientists, employees of Quantum or an affiliate performing Shared Services³, data providers, geologists, landmen, engineers, industry experts, and similar professionals in connection therewith);
- (v) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement, sales, investment banker and similar

² Certain persons employed, retained or otherwise engaged Quantum or any of its affiliates to provide specialty services including, industry, sector, government, public policy, international relations and/or regulatory insight, advice or due diligence, investment identification and evaluation, financial and structuring advice, or any other services.

³ Shared Services - Quantum or any of its affiliates and their respective partners, members, officers, directors and employees may provide accounting, finance, tax, legal, environmental, social and governance services, human resource, data services, information technology, commodity, marketing and hedging, procurement, construction and design or other back office or administrative services or similar services to Advisory Clients or portfolio companies or prospective portfolio companies.

services; brokerage, custodial, depository, local paying agent, agent bank and other bank, trustee, record keeping, account, registered office and similar services, including any law, rule or regulation related to the implementation thereof in any relevant jurisdiction;

- (vi) the diligencing, establishment, implementation, assessment, attestation, monitoring and/or measurement of the environmental, social and corporate governance (“ESG”) related programs and initiatives with respect to Advisory Clients or actual or potential investments (including all costs incurred in connection with ESG tracking tools, engineering, land, seismic, geographical or geological reporting tools, climate risk and resiliency assessments, greenhouse gas emissions assessments and reduction evaluations, ESG metrics assessments, diversity and inclusion assessments, and any other such assessments, measurements, advice, verification, assurance or reports prepared on, conducted as part of implementing, monitoring, standardizing, disclosing and maintaining such programs, to the extent implemented);.
- (vii) any costs relating to any Advisory Client (including alternative or parallel investment vehicle, or other structures), offering of interests, management, operation, including its formation, operation, amendments, waivers, consents or approvals, financing, exclusivity, commitment, origination, reverse breakup, topping, termination, dissolution, winding up, liquidation, structuring and restructuring, restructuring and dissolution and similar activities or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio investment of such alternative investment vehicle), except as otherwise determined by Quantum;
- (viii) insurance (including directors and officers liability, fidelity bond, management liability, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory costs, including costs related to any retention or deductibles and broker costs and commissions (including an applicable pro rata share of expenses with respect to policies whose costs and benefits are expected to be shared with other Quantum entities)) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance policies;
- (ix) all taxes, fees and other governmental charges payable by the Advisory Clients as determined by Quantum (including in connection with any transfer or proposed transfer of interests, or internal restructuring of), expenses incidental to the transfer, servicing and accounting for the Advisory Clients’ cash and securities, including all charges of depositories and custodians, and all expenses incurred by general partners in its capacity as the Advisory Clients’ representative, or a similar role under applicable state or local tax law; and all costs arising from any foreign exchange or other currency transactions;

- (x) developing, licensing, implementing, maintaining or upgrading any web portal, investor portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative, valuation, information gathering or reporting tools or services (including subscription-based services);
- (xi) filing, title, transfer, survey, registration and other similar activities;
- (xii) printing, communications, mailing and courier;
- (xiii) all expenses and costs associated with meetings of investors and any other conference or meeting (including via, telephone, webcast or other video conference) with any investor(s) and any periodic meeting, conference and/or event involving portfolio investment management and/or other persons (in each case, including any costs associated with venue, set-up, room and board, travel, dining, entertainment, gifts, and mementos, honorariums, events and speakers and other meeting or conference related costs) and any reimbursements related thereto (regardless of whether all of the individuals attending or otherwise participating in such meeting are limited partners); all expenses and costs of Advisory Clients' limited partners or other investment advisory committees ("LPAC"), including any out-of-pocket costs incurred by representatives of the general partner, LPAC members, permitted observers and other persons in attending or otherwise participating in meetings of the LPAC; attendance of any member, manager, shareholder, partner, director, officer, employee of Quantum or affiliates at any trade conference, including any applicable registration costs and exhibition, sponsorship or other presentation costs, travel, meals, entertainment and lodging;
- (xiv) compliance with any governing documents, side letters and similar agreements with investors;
- (xv) expenses relating to hiring portfolio company management or personnel, including executive search firms, consultants, headhunter fees, background checks and/or relocation expenses;
- (xvi) any costs of the types payable in respect of warehoused investments;
- (xvii) brokerage commissions, custodial expenses, appraisal fees and other investment costs actually incurred in connection with actual portfolio investments;
- (xviii) any taxes, fees and other governmental charges levied against any Advisory Client and all costs incurred in connection with any tax audit, inquiry, investigation settlement or review of the advisory Client, and any costs of or related to any Advisory Client representatives;

- (xix) distributions to the investors and other costs associated with the acquisition, holding and disposition of investments, including extraordinary expenses;
- (xx) the maintenance of the Advisory Clients' books of account and the preparation of audited or unaudited financial statements, the preparation of returns, cash management expenses, insurance and legal expenses, Shared Services relating to technology, marketing, procurement and other routine administrative expenses of the Advisory Clients, including, but not limited to, fees and expenses of independent auditors, accountants and legal counsel, expenses and costs of any employees of the Firm that perform accounting, return preparation or other Shared Services that would otherwise be performed by third parties, the costs and expenses of preparing and circulating the reports called under terms of Advisory Clients agreements and any fees or imposts of a governmental authority imposed in connection with such books and records and statements; legal, accounting, research, auditing, technology, administration (including costs associated with any third-party provider of administrative services, tracking or reporting software or other technology or technology support, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness and solvency opinions, appraisals or pricing services as well as costs related to the establishment or maintenance of such services and subscriptions to any valuation databases), consulting or other specialty services (including consulting and retainer fees, salary and other compensation paid to, and benefits or personnel costs provided to or on behalf of, operating partners, advisors, consultants (including executive partners and third-party operating consultants), industry executives and subject matter experts and other similar consultants), tax and other professional services, including any internal controls reports similar to SOC Type I or Type II control testing and reporting or similar services for non-service organizations (including costs related to the establishment or maintenance of any such activities or services);
- (xxi) compliance with any law, rule, regulation, policy, directive or special measure, compliance, privacy, data protection, know-your-customer, anti-money laundering (including any validation of any payments made in connection with any voluntary or compulsory review), sanctions or anti-terrorism considerations), including any legal, administrator, consulting or other third-party service provider costs related thereto, any regulatory costs of Quantum and affiliates incurred in connection with the operation of Advisory Clients and any costs related to compliance with any environmental, social, governance or other investment considerations and policies and/or the validation or other confirmation of any payments made to the Advisory Client or the Firm (including as a result of any anti-money laundering laws, rules or regulations);
- (xxii) financial, tax, administrative, compliance or U.S. or non-U.S. regulatory filings, reports, matters or functions and systems related thereto, including the

preparation, distribution or filing of financial statements or other reports or filings (including (A) any filings required under applicable securities laws or similar regimes, (B) any forms, schedules, reports, filings, information or other documents prepared with respect to applicable tax and other authorities or any financial account reporting regime, including FATCA, any Foreign Account Reporting Requirements and any other comparable and/or applicable non-U.S. and U.S. laws, rules or regulations, (C) any reports to be filed with applicable commodities and/or trading commissions or regimes, (D) Form PF and Bureau of Economic Analysis Reports, (E) marketing, registration, reporting, schedules, filings, due diligence programs, disclosure and marketing material review exercises or compliance documents or other information and other costs arising in connection with any U.S. or non-U.S. jurisdiction related to marketing, offering, selling, holding, owning or disposing of interests in an Advisory Client and the costs of any third-party service providers and professionals (including depositories, attorneys, agents and representatives, intermediaries or distributors,) related to the foregoing and/or (F) tax returns (including preparing, reviewing and filing the general partner's tax returns), tax estimates, Schedules K-1 or similar forms or other communications with Partners) or other information (including licensing, maintaining, upgrading and/or implementing any investor administrative tools (including software and extranet tools); and filings such as AIFMD, SFDR etc. related to the foregoing), including the costs of any third-party service providers and professionals related to the foregoing;

- (xxiii) indemnification (including legal and any other costs incurred in connection with indemnifying any person and advancing costs incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to Advisory Clients' governing documents, unless excluded from indemnification; any actual, threatened or otherwise anticipated governmental inquiry, examination, investigation, proceeding, litigation, mediation, arbitration or other dispute resolution process, including any discovery related thereto and any judgment, fine, other award or settlement entered into and paid or payable in connection therewith, except to the extent such costs have been determined to be excluded from the indemnification provided for in the applicable governing documents;
- (xxiv) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including costs incurred in connection with the EU Data Protection Law or FOIA), or related to encryption, cybersecurity software and subscription services, data and/or network protection and other cyber risks;
- (xxv) defaults by investors in the payment or timely payment of capital contributions;

- (xxvi) Indebtedness of, or guarantees made by, Advisory Clients, Quantum, the general partner or any person formed beneath or alongside the Advisory Client on behalf of the Advisory Client or any portfolio investments (including any bridge financings, subscription facility or other credit facility, asset facility, margin loan, letter of credit or similar credit support or any indebtedness entered into pending participation by a co-investor in an investment), including the repayment of principal and interest with respect thereto, or evaluating, negotiating or seeking to put in place any such indebtedness or guarantee;
- (xxvii) out-of-pocket expenses incurred as a result of a proposed transaction or investment by the Advisory Clients that is not consummated, to the extent not reimbursed by a third party; any of the items listed above relating to any investment, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful and/or that may have been offered to co-investors or pursued with joint venture partners (including such persons' proportionate share of any expenses related to an investment or other opportunity not consummated);
- (xxviii) any travel (including the cost of commercial or private air travel, car or ride sharing services, other modes of transportation, lodging, meals and entertainment) and other meals and entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment, disposition and other transaction opportunities; Moreover, Quantum and its employees can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of an Advisory Client. Such benefits may include, among other things, participation at meals or events, or "miles" or "points" or other benefits of loyalty / status programs, airline travel or hotel stays where the costs of such event, meal or stay were incurred as Advisory Clients' expenses or as portfolio company. All such benefits and/or amounts, whether or not de minimis or difficult to value, will inure exclusively to such employee (and not the Advisory Client, their investors and/or the portfolio companies) even though the cost of the underlying service is borne by the Advisory Clients and/or the portfolio companies; and
- (xxix) compensation and other costs, expenses and fees charged by or reimbursed to, any person providing any services described herein; any other costs approved by an Advisory Client's LPAC.

Brokerage Fees

As discussed in Item 12, the Company does not routinely trade public securities on behalf of Advisory Clients or utilize "soft" dollars. However, to the extent public securities are traded on behalf of Advisory Clients, the costs associated with such transactions, including brokerage fees, will be borne by Advisory Clients. Please refer to Item 12 for more information.

Allocation of Expenses.

The foregoing expenses may be incurred on behalf of one or more Advisory Clients. To the extent such expenses are incurred for the account of more than one Advisory Client, they are allocated in a manner that Quantum reasonably determines is fair and equitable in accordance with Quantum's Expense Allocation Policy, generally in proportion to the relative size of each Advisory Client's investment in the activity or entity to which such expenses relate (subject to the terms of each Advisory Client's applicable governing documents).

For more detailed information and a complete description regarding each Advisory Client's sharing of fees and expenses, please refer to the applicable Advisory Client's Offering Documents.

Advisory Client Credit Facilities

Pursuant to the authority granted in the governing document of an Advisory Client, the general partner of such Advisory Client may cause the Advisory Client to enter into a credit facility secured by capital commitments of investors in such Advisory Client (a "Credit Facility"). Borrowings may be made under a Credit Facility from time to time for various purposes, including (i) to make portfolio investments, including providing letters of credit or other credit support for the obligations of portfolio investments, including derivative transactions and (ii) to pay management fees and other expenses of the Advisory Client (each, a "Bridge Loan"). A Bridge Loan is not intended to be permanent financing but rather allows for managing the number of capital calls made to investors in Advisory Clients, or to move quickly to fund portfolio investments. Accordingly, Bridge Loans are typically repaid out of capital calls made following such borrowings. Because a capital call repaying a Bridge Loan will occur after an underlying portfolio investment is made and because the interest cost of a Bridge Loan may be less than the preferred return on an investor capital contribution, the calculation of the returns on investor capital contributions and the performance fee payable to an Advisory Client's general partner may be higher as a result of the use of Bridge Loans.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Generally, an affiliate of Quantum that serves as the general partner (or similar managing fiduciary) of an Advisory Client is entitled to receive a carried interest or similar profit allocation out of distributions made to third-party investors in Advisory Clients. These profit allocations occur once an investor's invested capital, including allocable fees and expenses, plus a minimum return on such invested capital has been distributed to the investor. This determination is generally made each time an investment is sold. However, any interim profit allocations may be subject to being returned to any investor by the recipient if all of the investor's capital invested in the Advisory Client plus the minimum return thereon is not ultimately distributed to such investor. The amount and manner of calculation of these performance-based fees or carried interest profit allocations are detailed in the documents governing the Advisory Client and disclosed in the offering documents by which interests in the Advisory Client were or are offered and sold.

Performance-based fees or carried interest profit allocations are subject to regulation under Rule 205-3 under the Advisers Act. Therefore, Quantum seeks to ensure that any Advisory Client or investors in an Advisory Client that are directly or indirectly assessed performance fees or are subject to carried interest profit allocations satisfy the qualifications of Rule 205-3 under the Advisers Act and have been advised of such fees or allocations and their risks.

In general, the Advisory Clients of the Company and its affiliates share the same overall energy-focused investment objectives. In some cases, an investment opportunity may be appropriate for more than one Advisory Client. Therefore, certain conflicts could arise in the allocation of investment opportunities and in connection with the acquisition and/or disposition of investments by an Advisory Client. When allocating investment opportunities across Advisory Clients, there could be differences in the financial structure of the Advisory Clients potentially participating in the opportunity that could introduce an incentive for the Company to favor one Advisory Client over another. Additionally, there could be incentives to favor Advisory Clients with potential performance fees or carried interest allocations that are higher or may be realized sooner over Advisory Clients with potential performance fees or carried interest allocations that are lower or make take longer to be realized. Potential portfolio investments are generally allocated to the Advisory Clients whose investment periods are currently active. In general, the governing documents of the applicable Advisory Clients provide that the general partner (or similar managing fiduciary) will allocate investment opportunities in a manner that it believes is fair and equitable. The governing documents of the Advisory Clients also set forth the manner in which transactions between or involving multiple Advisory Clients may be carried out. Quantum's Conflicts and Investment Allocation Committee is responsible for reviewing, evaluating, and recommending actions to resolve any potential conflicts of interests relating to Advisory Clients, including the allocation of investments.

The general partner (or similar managing fiduciary) of an Advisory Client, and affiliates and equity owners of Quantum and qualified individuals who are not employees of Quantum but who have pre-existing business relationships with Quantum or possess specific industry expertise that invest in or alongside an Advisory Client generally do not bear any performance-based fees or carried interest profit allocations.

The Company currently acts as investment adviser to Advisory Clients, and related persons typically act as a general partner (or similar managing fiduciary) of such Advisory Clients. The known or reasonably anticipated conflicts of interest involving the Company or its affiliates, are disclosed in the offering documents of the applicable Advisory Client provided to potential investors prior to their investment.

ITEM 7. TYPES OF CLIENTS

The Company's current Advisory Clients are generally pooled investment vehicles, but the Company may also provide advisory services on a separately managed account basis to, among others, select institutional investors, including governmental entities. The Company and its affiliates require that each third-party investor in an Advisory Client be an "accredited investor" as defined in Regulation D under the Securities Act, a "qualified client" within the meaning of the Advisers Act, and a "qualified purchaser" as defined in the 1940 Act. Typically, a minimum investment amount of \$10 million is imposed on third parties investing in the investment vehicles for which the Company acts as investment adviser. This minimum may be subject to reduction upon prior agreement by the Company or an affiliate (subject to applicable legal requirements).

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

Quantum actively seeks opportunities in private equity and equity-related investments, as well as investments in credit opportunities, development joint ventures, structured debt and preferred equity (structured capital) in energy-related assets and companies (including but not limited to energy-alternative, electric, renewables and energy infrastructure, energy technology) As a general matter, Quantum utilizes the methods of analysis and investment strategies detailed in the governing documents of an Advisory Client, where detailed information concerning Quantum's investment strategies with respect to each Advisory Client can be found. The information contained in this brochure is a summary only.

Quantum analyzes and assesses investment opportunities using a range of methods. A portfolio investment opportunity begins with a management team. Quantum seeks out strong chief executive officers with (i) an established track record of value creation, (ii) a demonstrated and successful approach to capital allocation, (iii) a focused strategy based on sustainable competitive advantages, and (iv) an opportunistic approach to buying and selling. Then focus is placed on surrounding this chief executive officer with key professionals that collectively possess a strong combination of strategic decision making, technical, operational, commercial, financial, and managerial capabilities. Acquisitions by these teams are reviewed in detail by Quantum. In addition to financial modeling, including cash-flow models and risk sensitivity analyses, Quantum utilizes the expertise of its in-house technical teams to evaluate the technical aspects of potential investments. Quantum may use outside advisers to supplement or provide additional expertise in reviewing opportunities.

While Quantum seeks to integrate certain ESG factors into its investment process in accordance with its ESG policy and subject to its fiduciary duty and any applicable legal, regulatory, or contractual requirements, there is no guarantee that Quantum's ESG policy will be successfully implemented or that its investments create a positive ESG impact. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Quantum, or any judgment exercised by Quantum, reflects the beliefs or values of any particular investor. There are significant differences in interpretations of what positive ESG characteristics mean by region, industry and issue, and these interpretations are rapidly evolving. Quantum cannot guarantee that any ESG considerations will positively affect the financial or ESG performance of any individual investment or any Advisory Client. Furthermore, Quantum may determine in its sole discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing, or other considerations.

The Firm seeks to make control investments, and when appropriate and for certain Advisory Clients, strategic minority investments. In structuring investments, Quantum will seek to minimize downside risk through active portfolio management and risk management tools to help generate long-term capital appreciation.

In considering opportunities, the Firm focuses on maintaining a disciplined approach with regard to the following: (i) invest at a reasonable valuation, (ii) ensure that management's interests are directly aligned with investors, (iii) focus on making investments where Quantum has appropriate corporate governance, (iv) use appropriate financial leverage and aggressively protect acquisition and investment economics through a consistent commodity price hedging program and (v) identify likely and viable exit strategies before making an investment.

Investment Risks

An investment in an Advisory Client involves a high degree of risk and is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in an Advisory Client and for which such Advisory Client does not represent a complete investment program. There can be no assurance that the investment objective of any Advisory Client will be achieved, that any Advisory Client will otherwise be able to successfully carry out its investment program, or that an investor will receive a return of its capital contributed to any Advisory Client. The discussion below enumerates certain risk factors that apply generally to an investment in any Advisory Client. Prior to making any investment in an Advisory Client, investors should carefully review the applicable offering documents for a more complete description of the risk factors and conflicts of interest relating to such Advisory Client.

General Economic Conditions. General economic conditions may affect an Advisory Client's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by an Advisory Client or considered for prospective investment. The value of investments may fluctuate in accordance with changes in the financial condition of portfolio investments and other factors that affect the markets in which an Advisory Client invests. Economic slowdowns or downturns could lead to financial losses in the assets of an Advisory Client. In addition, many portfolio investments may be similarly subject to the same economic conditions, which could adversely impact an Advisory Client's returns.

Geopolitical Risks. An unstable geopolitical climate and continued threats of terrorism could have a material effect on general economic conditions, market conditions and market liquidity. A resulting negative impact on economic fundamentals and consumer confidence may increase the risk of default of particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, all of which could have an adverse effect on an Advisory Client's returns and ability to make new investments. As an example, the ongoing military conflict between Russia and the Ukraine has continued to cause disruption to global financial systems, trade and transport, among other things. No assurance can be given as to the effect of these events on the value of or markets for investments.

Illiquid and Long-Term Investments. Although an Advisory Client's investments may generate current income, the return of capital and the realization of gains, if any, from an investment generally will most likely occur only upon the partial or complete disposition of such investment. While an investment may be sold at any time, it is generally expected that the

disposition of most of an Advisory Client's investments will not occur for a number of years after such investments are made.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing, and realizing on attractive investments is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions as well as the prevailing regulatory or political climate. An Advisory Client will be competing for investment opportunities against various other groups, including industry participants. Furthermore, additional funds with similar investment objectives as an Advisory Client may be formed in the future by unrelated parties. As a result, there can be no assurance that an Advisory Client will be able to identify and complete investments that satisfy its investment objective, or realize the value of such investments, or that it will be able to invest fully its Capital Commitments.

Projections. An Advisory Client may rely upon projections developed by the Company or other Quantum affiliates or by the management of a portfolio company concerning a portfolio investment's future performance, outcome, and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of the persons preparing such projection. The inaccuracy of certain assumptions, the failure to satisfy certain requirements and the occurrence of other unforeseen events could impair the ability of a portfolio investment to realize projected values, outcomes, and cash-flow.

Disposition of Private Investments. Many of an Advisory Client's investments will involve private securities. In connection with the disposition of an investment in private securities, an Advisory Client may be required to make representations about the business and financial affairs of the portfolio investment typical of those made in connection with the sale of a business. An Advisory Client also may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in the incurrence of contingent liabilities that may ultimately yield funding obligations that must be satisfied by the investors to the extent of distributions made to such investor.

Expedited Transactions. Investment analyses and decisions may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available at the time an investment decision is made may be limited, and Quantum may not have access to detailed information regarding the investment. Therefore, no assurance can be made that Quantum will have knowledge of all circumstances that may adversely affect an investment.

Control Position. An Advisory Client will generally seek investment opportunities that allow an Advisory Client to acquire control or exercise influence over management and the strategic direction of portfolio investments in which it invests. The acquisition of control or the exercise of control or influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, pension plan liabilities and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The acquisition of control or the exercise of control or

influence over a portfolio investment could expose the assets of an Advisory Client to claims by such portfolio investment, its securityholders and its creditors. While the Company intends to manage an Advisory Client in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Non-Controlling Investments. An Advisory Client may hold a non-controlling interest in certain portfolio investments where it may have limited influence. Such portfolio investments may have economic or business interests or goals that are inconsistent with those of the Advisory Client, and the Advisory Client may not be in a position to limit or otherwise protect its position in such portfolio investments. An Advisory Client's control over the investment policies of such portfolio investments may also be limited. This could result in an Advisory Client's investments being frozen in minority positions that incur substantial loss. Therefore, there can be no assurance that an Advisory Client will be able to realize the value of its investments and distribute proceeds in a timely manner.

Third-Party Involvement. An Advisory Client may co-invest with third parties through partnerships, joint ventures, or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Advisory Client, or may be in a position to take action contrary to the Advisory Client's investment objectives, and other risks associated with not having control over such investments. The management of such investments in certain instances may not be fully or even partially controlled by Quantum. In addition, an Advisory Client may in certain circumstances be liable for actions of its third-party co-venturers or partners.

Litigation. Litigation can and does occur in the ordinary course of the management of portfolio investments. An Advisory Client may be engaged in litigation both as a plaintiff and as a defendant. This risk is somewhat greater where an Advisory Client exercises control or significant influence over a portfolio investment's direction, including as a result of board participation. Such litigation can arise as a result of issuer default, issuer bankruptcies and/or other reasons. In certain cases, such issuers may bring claims and/or counterclaims against an Advisory Client, the Company, Quantum and/or their respective principals and affiliates alleging violations of securities laws and other typical issuer claims and counterclaims seeking significant damages. The expense of defending against claims made against an Advisory Client by third parties and paying any amounts pursuant to settlements or judgments would be borne by an Advisory Client to the extent that (i) the Advisory Client has not been able to protect itself through indemnification or other rights against the portfolio investments, (ii) the Advisory Client is not entitled to such protections or (iii) the portfolio investment is not solvent. The Company, Quantum and others may be indemnified by an Advisory Client, as noted above, in connection with such litigation, subject to certain conditions.

Third-Party Advice. Quantum and each Advisory Client utilize the services of attorneys, accountants, and other consultants in their operations. Quantum and each Advisory Client generally rely upon such advisors for their professional judgment with respect to legal, tax and

other regulatory matters. Nevertheless, there exists a risk that such advisors may provide incorrect advice from time to time. None of Quantum or an Advisory Client will have any liability to the investors for any reliance upon such advice (provided that such advisors have been selected with reasonable care).

Cybersecurity Risk. Quantum, the Advisory Clients' service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect Advisory Clients and their investors, despite the efforts of Quantum and service providers to adopt technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to an Advisory Client and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of Quantum, the Advisory Clients' service providers, counterparties, or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of the Firm's systems to disclose sensitive information in order to gain access to the Firm's data or that of the Advisory Clients' investors. A successful penetration or circumvention of the security of the Firm's or third-party service providers systems could result in the loss or theft of an investor's data or an Advisory Client's data, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause Advisory Clients, the Firm, or their service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. In addition, Quantum and the Advisory Clients may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, adverse investor reaction or litigation. Quantum maintains cyber insurance to help offset some of these potential costs.

Similar types of operational and technology risks are or may also be present for the companies in which Advisory Clients invest, which could have material adverse consequences for such companies, and may cause Advisory Clients' investments to lose value.

Artificial Intelligence Risk. The Firm may utilize artificial intelligence ("AI") in its business operations, and the challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and/or an adverse effect on Quantum's or its related persons business operations. If the content, analyses, or recommendations that AI applications assist in producing are or are alleged to be deficient, inaccurate, or biased, an Advisory Client and/or its investors could be negatively impacted as a result. AI tools may produce inaccurate, misleading or incomplete responses that could lead to errors in the Firm's and its employees' decision-making, portfolio management or other business activities, which could have a negative impact on the performance of an Advisory Client. Such AI tools could also be used against Quantum, an Advisory Client, or its investments in criminal or negligent ways. AI-related changes to the products and services on offer also may affect our clients' expectations, requirements, or

tastes in ways we cannot adequately anticipate or adapt to. Additionally, the Firm's competitors or other third parties could incorporate AI into their products more quickly or more successfully, which could impair the Firm's ability to compete effectively.

Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues. An Advisory Client's business activities and its operations and investments could be materially adversely affected by pandemics, epidemics and outbreaks of disease globally and/or regionally, such as coronavirus, or COVID-19, Ebola, various influenza strains, Severe Acute Respiratory Syndrome, or SARS, and/or other epidemics, pandemics, outbreaks of disease, viruses and/or public health issues. Should these or other major public health issues, including pandemics, materially impact the day to day lives of persons around the globe, an Advisory Client could be adversely affected by such actions as more stringent travel restrictions, limitations on an Advisory Client's operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).

Failure of Counterparties to Perform Obligations. In its ordinary course of business, Quantum relies on various counterparties, which include, but is not limited to, brokers, dealers, banks, custodians, lenders, and administrators (collectively "Counterparties"). These Counterparties, with which the Firm does business and on behalf of an Advisory Client, may, from time to time, fail to perform their obligations or experience insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023. A Counterparty's default on their obligations may impact Quantum's or the Advisory Client's ability to conduct its business in the ordinary course. There is a risk of loss of assets on deposit at the Counterparty. Government agencies or other organizations provide insurance coverage to depositors in the event of a Counterparty failure; however, coverage is limited to a specified amount and subject to rules and regulations. There is no guarantee that any excess deposits are recoverable. 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. In the event of a Counterparty's default, the Firm will work diligently to access its capital and take actions it deems appropriate while acting in the best interest of the Advisory Client. However, Quantum's access to capital is subject to a variety of external factors that are outside of the Firm's control, including the timing of default, a government agency's or other organization's actions, including the timing of the Counterparty's closure, ability to liquidate the Counterparty's assets, or to effect the Counterparty's sale or dissolution, unforeseeable economic factors or market conditions, and the Counterparty's technology infrastructure operating as intended to facilitate access. Furthermore, Quantum's ability to access capital may have an impact on the Firm's and the Advisory Client's ability to conduct operations in the normal course including, but not limited to paying expenses, funding investment opportunities resulting in delayed or missed opportunities, and calling capital from or making distributions to limited partners. Deposits concentrated at one or a limited number of Counterparties may amplify these risks.

Reliance on External Sources. In evaluating an investment, Quantum expects to depend upon information and data provided by several sources, including relevant target companies and/or various reporting sources which could be incomplete, inaccurate, or unavailable, and which could cause Quantum to incorrectly assess a company's practices and/or related risks and opportunities. Quantum does not intend independently to verify all information reported by target companies or third parties.

Credit Opportunities Generally. The Firm, on behalf of certain Advisory Clients, may originate loans to, or purchase the assignment of or participations in loans made to, public and private companies. Although Quantum generally intend to primarily invest on behalf of certain Advisory Clients in loans and other debt instruments or obligations that are secured by collateral, Advisory Clients may be exposed to losses resulting from default of any such loans or interests in loans or other debt instruments in which it has invested. Therefore, the value of underlying collateral, the creditworthiness of borrowers and the priority of liens are each of great importance in determining the value of an Advisory Client's investments. No guarantee can be made regarding the adequacy of the protection of an Advisory Client's security in the loans or other debt instruments in which it invests.

Financial Market and Interest Rate Fluctuations. General fluctuations in the financial markets, prices of securities and interest rates will adversely affect the value of Advisory Client's investments and/or increase the risks associated with one or more particular investments. Volatility and instability in the securities markets may also increase the risks inherent in Advisory Client's investments. The ability of companies or businesses in which an Advisory Client may invest to refinance debt securities or repay debt obligations may depend on their ability to obtain financing, including by selling new securities in the high yield debt or bank financing markets, which at certain points over the last several years have been extraordinarily difficult to access at favorable rates.

Venture Investments. Certain Advisory Clients will invest in private, early-stage and growth-stage ventures. These companies typically have minimal or no revenues and may not be profitable. They may require considerable additional capital, at high valuations, to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or may not be available on acceptable terms. Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Although a representative of Quantum may serve on the board of directors of a portfolio company, each portfolio company will be managed by its own officers (who generally will not be affiliated with the Partnership). Accordingly, the Partnership is expected to have limited influence over such companies and their management teams. The public market for technology and other emerging companies is extremely volatile.

Use of Leverage. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. An Advisory Client's portfolio investments may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors, such as rising interest rates, downturns in the economy or deteriorations in the conditions of such portfolio investment or its industry, which may have a more pronounced effect on the profitability or survival of such companies. If for any of these reasons a portfolio investment is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness or make regular dividend payments, the value of an Advisory Client's investment in such portfolio investment could be significantly reduced or even eliminated.

Risk Factors Related to the Energy-Related Industries

As a general matter, the operation and maintenance of energy assets or businesses, including renewable energy and energy-related infrastructure assets or businesses, involve various risks and are subject to substantial regulation (as further discuss below), many of which may not be under the control of the owner/operator, including labor issues, failure of technology to perform as anticipated, structural failures and accidents and the need to comply with the directives of government authorities.

Most energy assets or businesses, including renewable energy and energy-related infrastructure assets or businesses, have unique locational and market characteristics, which could make them highly illiquid or appealing only to a narrow group of investors. Political and regulatory considerations and popular sentiments could also affect the ability of Quantum to buy or sell investments on favorable terms. Energy, renewable energy and energy-related infrastructure projects are generally heavily dependent on the developer and the operator of the assets. There are a limited number of developers and operators with the expertise necessary to successfully develop, maintain and operate such projects. The insolvency of the lead developer, contractor, a major subcontractor, or a key equipment supplier could result in material delays, disruptions and costs that could significantly impair the financial viability of an investment in such projects. In addition, energy assets, including renewable energy and energy-related infrastructure assets, may be subject to commodity risks including price, volumetric and spread risk. While efforts will be made to manage risks, certain Advisory Clients could have reduced and/or more volatile returns because of changes in the prices, volumes and spreads of electricity, fuel, transportation, and transmission. Since investments in energy assets, including renewable energy and energy-related infrastructure assets, like many other types of long-term investments, have historically experienced significant fluctuations and cycles in value, specific market conditions may result in temporary or permanent reductions in the value of an investment.

Energy assets, including renewable energy and energy-related infrastructure assets, are also subject to development or operational failures, which may lead to loss of a license, concession or contract on which a portfolio company is dependent. In addition, despite proper development, construction, operation and maintenance, an infrastructure investment may be vulnerable to a force majeure event, and the damage caused by such an event may adversely

affect a party's ability to perform its obligations until it is able to remedy the damage. For example, certain Advisory Clients' portfolio companies may be subject to risks associated with adverse weather conditions and natural disasters (such as fire, hurricanes, tornadoes, tsunamis, typhoons, windstorms, volcanic eruptions or floods, earthquakes), man-made disasters, changes in law, eminent domain, war, riots, terrorist attacks, labor disputes and other unforeseen circumstances and incidents. Insurance coverage of such risks may be limited, subject to large deductibles or completely unavailable, and whether to seek insurance coverage of, or seek alternative ways to manage or mitigate, such risks, will be determined in the discretion of portfolio company management and/or Quantum, if applicable

Volatility of Oil and Gas Prices and Markets. The profitability of certain companies in which an Advisory Client will invest is substantially dependent on prevailing prices for oil and natural gas. The volume of oil and gas produced and the prices obtainable therefore will be affected by market factors beyond an Advisory Client's control. Such factors include the extent of domestic production, the level of imports of foreign oil and gas, the general level of market demand on a regional, national and worldwide basis, domestic and foreign economic conditions that determine levels of industrial production, political events in foreign oil-producing regions and variations in governmental regulations and tax laws or the imposition of new governmental requirements upon the energy industry. Prices for oil and gas are subject to wide fluctuation in response to relatively minor changes in supply of and demand for oil and gas, market uncertainty and a variety of additional factors that are beyond the control of an Advisory Client. A substantial and prolonged decline in oil and gas prices could have a material adverse effect on an Advisory Client's portfolio investments, and thus on an Advisory Client.

Operating Hazards and Uninsured Risks. Certain Advisory Clients portfolio investments will be subject to substantial operating risks, such as unusual or unexpected geologic formations, pressures, downhole fires, mechanical failures, blow-outs, cratering, explosions, pipe failure, uncontrollable flow of oil, gas or well fluids and pollution and other environmental risks. These hazards could result in substantial losses due to injury and loss of life, severe damage to and destruction of property and equipment, pollution and other environmental damage, suspension of operations and costs of remediation. Any offshore operations of a portfolio investment will be subject to a variety of operating risks peculiar to the marine environment, such as hurricanes or other adverse weather conditions, to more extensive governmental regulation, including regulations that may, in certain circumstances, impose strict liability for pollution damage, and to interruption or termination of operations by governmental authorities based on environmental or other considerations. Portfolio investment operations could result in liability for personal injuries, property damage, oil spills, discharge of hazardous materials, remediation and clean-up costs, and other environmental damages. A portfolio investment could be liable for environmental damages caused by previous property owners. As a result, substantial liabilities to third parties or governmental entities may be incurred, the payments of which could have a material adverse effect on an Advisory Client's portfolio investments, and thus on an Advisory Client. An Advisory Client will encourage each portfolio company to carry insurance which an Advisory Client believes is in accordance with customary and prudent business practices. However, portfolio investments will not be able to fully insure against all risks associated with

their business, either because such insurance is not available or because the cost of such insurance would be prohibitive.

Demand for Oil and Gas. The success of certain Advisory Client's portfolio investments is materially dependent upon the demand for oil and gas. The availability of a ready market for a portfolio investment's oil and gas production depends on a number of factors beyond its control, including the demand for, and supply of, oil and gas, the availability of alternative energy sources, the proximity of reserves to, and the capacity of, oil and gas gathering systems, pipelines, or trucking and terminal facilities. An Advisory Client's portfolio investments may also have to shut-in some of its wells temporarily due to a lack of market or adverse weather conditions including hurricanes. In addition, federal and state regulation of oil and gas production and transportation, general economic conditions, and changes in supply and demand could adversely affect the ability of an Advisory Client's portfolio investments to produce and market oil and gas on a profitable basis. Any significant change in the ability to produce and market oil and gas production could have a material adverse effect on an Advisory Client's portfolio investments' financial condition and results of operations.

Drilling and Engineering Risks. The revenues and operating results of certain Advisory Clients' portfolio investments will be dependent upon the success of their respective exploitation, development, and drilling activities. These oil and gas activities involve numerous risks, including the risk that no commercially productive oil or natural gas reservoirs will be encountered. The timing and cost of drilling, completing, and operating wells is often uncertain, and drilling operations may be curtailed, delayed, or canceled as a result of a variety of factors, including unexpected drilling conditions, pressure or irregularities in formations, equipment failures or accidents, adverse weather conditions, compliance with governmental requirements, and shortages or delays in the availability of drilling rigs and the delivery of equipment.

Hedging. Certain Advisory Clients' portfolio investments may seek to reduce exposure to the volatility of oil and gas prices by actively hedging a portion of production. Certain types of hedging contracts could prevent an Advisory Client's portfolio investments from receiving the full advantage of increases in oil and gas prices above the fixed amount specified in the hedge agreement. In a typical hedge transaction, an Advisory Client portfolio investment has the right to receive from the hedge counterparty the excess of the fixed price specified in the hedge agreement over a floating price based on a market index, multiplied by the quantity hedged. If the floating price exceeds the fixed price, an Advisory Client's portfolio investment must pay the counterparty this difference multiplied by the quantities hedged even if an Advisory Client's portfolio investment had insufficient production to cover the quantities specified in the hedge agreement. Accordingly, if an Advisory Client's portfolio investment has less production than it has hedged when the floating price exceeds the fixed price, an Advisory Client's portfolio investment must make payments against which there are no offsetting sales of production. If these payments become too large, the remainder of an Advisory Client's portfolio investment's business may be adversely affected. In addition, hedging agreements expose an Advisory Client's portfolio investments to the risk of financial loss if a counterparty to a hedging contract defaults on its contract obligations. An Advisory Client may enter into separate commodity derivative

transactions to hedge against price fluctuations with respect to expected production volumes that either are not or cannot be hedged by the portfolio investments. The use of hedging strategies is a highly specialized activity and there can be no assurance that their use will achieve their intended result. An Advisory Client's hedging activities are subject to any limitation imposed by the de minimis exemption under CFTC Rule 4.13(a)(3) or any other exemption from registration under the Commodity Exchange Act applicable to an Advisory Client at any time.

Unavailability of Equipment or Personnel. The energy industry is cyclical and, from time to time, there is a shortage of drilling rigs, equipment, supplies, or qualified personnel. During these periods, the cost and delivery times of rigs, equipment, and supplies are substantially greater. In addition, demand for, and wage rates of, qualified drilling rig crews rise with increases in the number of active rigs in service. If the unavailability or high cost of drilling rigs, equipment, supplied, or qualified personnel were particularly severe Quantum's business could be materially and adversely affected.

Terrorist Activities. Recent terrorist attacks of unprecedented scope have caused instability in the world financial markets and may generate global economic instability. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for oil and gas and could affect an Advisory Client's portfolio investments' financial results. Further, the United States government has issued public warnings indicating that energy assets might be specific targets of terrorist organizations. As a result of such a terrorist attack or of terrorist activities in general, an Advisory Client's portfolio investments may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all.

Taxation. Investments in properties in the energy sector may be subject from time to time to numerous taxes and fees levied by the jurisdictions in which such companies are organized or operate. Properties engaged in oil and gas operations or having substantial real property holdings, in particular, may be subject to specific tax regimes, such as petroleum revenue taxes, fees for drilling rights and exploration licenses, oil production fees, real estate taxes, stamp duties and various state and local taxes. Investors should consult their own tax advisors regarding the impact of such taxes, if any, on their investment in an Advisory Client's portfolio investments.

Environmental Liabilities. The oil and gas business is subject to environmental hazards, such as oil spills, gas leaks and ruptures, discharges of petroleum products and hazardous substances, and historic disposal activities. These environmental hazards could expose an Advisory Client's portfolio investments to material liabilities for property damages, personal injuries, or other environmental harm, including costs of investigating and remediating contaminated properties. In addition, an Advisory Client's portfolio investments may also be liable for environmental damages caused by the previous owners or operators of properties it purchases. A variety of stringent federal, state, and local laws and regulations govern the environmental aspects of the oil and gas business. Any noncompliance with these laws and regulations could subject an Advisory Client's portfolio investments to material administrative,

civil or criminal penalties, or other liabilities. Additionally, compliance with these laws may, from time to time, result in increased costs of operations or decreased production, and may affect acquisition costs.

Governmental and Environmental Regulation. The oil and gas industry is subject to extensive regulation under a wide range of United States federal and state statutes, rules, orders and regulations. In addition, various federal, state and local laws and regulations relating to the protection of the environment may affect the operations and costs of the companies in which an Advisory Client invests. If a portfolio investment has operations abroad, it will be subject to the laws and regulations of the country in which it is doing business. These regulations may have a significant adverse impact on the financial condition, prospects and profitability of an Advisory Client's portfolio investments.

Risk Factors Related to Midstream and Natural Gas Storage Industry. The profitability of the companies in which an Advisory Client will invest that are principally engaged in business in the midstream or natural gas storage industry will also be dependent upon any pipeline, storage, or related assets that they may own. The demand for use of pipeline, storage and related assets is dependent on prevailing prices and demand for oil, natural gas and natural gas liquids and the availability of third-party interconnections to the pipeline, storage, and related assets of such portfolio investments. Such portfolio investments will not own all of the land on which their pipeline, storage or related assets are located and will therefore be subject to the possibility of increased costs or the inability to retain necessary land use rights. Additionally, new and existing environmental regulations and increased regulations of pipeline, storage and related assets by federal, state or local regulatory agencies, including the Federal Energy Regulatory Commission, may increase operating costs or limit the rates that such portfolio investments can charge for their services. All or any of these factors in addition to the factors described elsewhere in this section may have a significant adverse impact on the financial condition, prospects, and profitability of such portfolio investments.

Management Risks

Reliance on Quantum Management Team. The success of an Advisory Client depends in substantial part upon the skill and expertise of the Quantum management team providing investment advice with respect to an Advisory Client. There can be no assurance that these key investment professionals will continue to be associated with Firm throughout the life of an Advisory Client. The loss of key personnel could have a material adverse effect on an Advisory Client's ability to realize its investment objectives. In addition, members of Quantum management team also provide services to related parties, including other advisory clients, so they will have demands made on their time for these services.

Portfolio Investment Management Risks. With respect to management at the portfolio investment level, many portfolio investments rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio investment's performance. Although Quantum personnel expect to monitor portfolio investment

management, the management of each portfolio investment will have day-to-day responsibility with respect to the business of such portfolio investment.

Board Participation. An Advisory Client may be represented on the boards of directors of certain of its portfolio investments or may have its representatives serve as observers to such boards of directors. Although such positions in certain circumstances may be important to an Advisory Client's investment strategy and may enhance an Advisory Client's ability to manage the investments, they may also have the effect of impairing an Advisory Client's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject the Advisory Client, the Company and Quantum to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, an Advisory Client will indemnify the Company, Quantum and their respective partners, agents, employees and affiliates from such claims.

Advisory Client Risks

Absence of Operating History. Each Advisory Client is initially a newly formed entity and has no prior operating history upon which an investor can base its prediction of future success or failure. Although Quantum has had significant experience in making prior investments in portfolio investments, the past performance of these investments is not indicative of the future results of the investments by such Advisory Client. Investors should have the ability to sustain the loss of their entire investment in an Advisory Client.

Passive Investment in Interests. Investors in an Advisory Client will be relying entirely on Quantum personnel to conduct and manage the affairs of an Advisory Client. The documents governing an Advisory Client prohibit the investors from engaging in the active management and business of an Advisory Client. The investments to be made by an Advisory Client have not yet been identified. The investors will not receive the detailed financial information issued with respect to portfolio investments which is available to Quantum. As a result, the investors must rely on the ability of Quantum to make appropriate investments for an Advisory Client and to manage and dispose of such investments.

Exculpation and Indemnification. Certain exculpation and indemnification provisions contained in the documents governing an Advisory Client, may limit the rights of action otherwise available to the investors and other parties against Quantum and its partners, agents, employees and affiliates and each investor and its representatives who comprise a LPAC, absent such a limitation in the documents. In addition, an Advisory Client will be obligated to indemnify Quantum and its partners, agents, employees and affiliates and representatives who comprise a LPAC (including the investors of which they represent), in respect of the operations of the Advisory Client, subject to certain limited exceptions generally involving willful misconduct or gross negligence.

Recourse to Assets. An Advisory Client's assets, including any investments made by an Advisory Client and any funds held by an Advisory Client, are available to satisfy all liabilities and other obligations of an Advisory Client. If an Advisory Client becomes subject to a liability, parties

seeking to have the liability satisfied may have recourse to an Advisory Client's assets generally and may not be limited to any particular asset, such as the asset representing the investment giving rise to the liability. Accordingly, the investors could find their interests in an Advisory Client's assets adversely affected by a liability arising out of an investment in which they did not participate because, for example, they were excluded or excused from such investment.

Liability for Return of Distributions. Under Delaware and other applicable law, if an Advisory Client is otherwise unable to meet its obligations, the investors may be obligated to return cash distributions with interest previously received by them if such distributions are deemed to be wrongfully paid to them and such investors knew at the time of such distributions that they were wrongfully paid. In addition, an investor may be liable under applicable federal or state bankruptcy laws to return a distribution made during an Advisory Client's insolvency. The investors also may be required to return amounts distributed to them to fund an Advisory Client's indemnity obligations, as well as for other obligations and expenses.

Liabilities Upon Disposition. In connection with the disposition of an investment, an Advisory Client may be required to make representations about the business and financial affairs of a portfolio investment typical of those made in connection with the sale of any business or be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify the purchaser of such investment or underwriter to the extent that any such representations or disclosure documents are determined to be inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Partners to the extent that the Partners have received prior distributions from an Advisory Client.

Contingency Reserves. Under certain circumstances, an Advisory Client may find it necessary in connection with a distribution to establish one or more reserves for contingent liabilities by holding back a portion of amounts otherwise distributable to the investors by the Advisory Client until the resolution of such contingency or contingencies. As such, the investors may be unable to liquidate their entire investment in the Advisory Client until such time as the need for such reserves has ceased. For example, such reserves may be established if an Advisory Client were subject to an audit by the Internal Revenue Service or involved in litigation. Moreover, the amount of any such reserve may prove insufficient for the relevant liability.

Failure to Make Capital Contributions. If any investor fails to make required capital contributions when due, an Advisory Client's ability to complete its investment program or otherwise continue operations may be substantially impaired. A default by a substantial number of investors could limit opportunities for investment diversification and likely reduce returns to the Advisory Client. In addition, in the event of a default, non-defaulting investors will be required to contribute additional capital to make up for the shortfall caused by such default. Any investor that defaults in making a required capital contribution may be subject to certain adverse consequences pursuant to the provisions of the documents governing the Advisory Client.

Recycling of Distributed Amounts. Subject to certain limitations set forth in the relevant governing documents, an Advisory Client has the right to recall from its investors (or retain

distributions relating to) (i) capital contributions used to fund an investment which is realized (or partially realized) within a certain period of an Advisory Client's investment in such portfolio investment and (ii) distributions in an amount not exceeding the amount of capital contributed by the investors in respect of its expenses (including, without limitation, management fees).

Excuse and Exclusion from Investments. Under certain limited circumstances, an investor may be excused from participating in an investment (including, without limitation, to avoid violations of law) or Quantum may exclude or limit the participation of an investor in an investment (including, without limitation, if an investor's participation is reasonably likely to have a material adverse effect on an Advisory Client or the applicable portfolio investment or result in a violation of law). In any such circumstance, each other investor may be requested to make additional capital contributions to an Advisory Client in respect of such investment, subject to certain limitations, thereby resulting in such other investor having an increased investment exposure in such investment than such investor would otherwise have had but for such excuse or exclusion event.

Lack of Transferability of Interests in an Advisory Client; No Right of Withdrawal. The interests in Advisory Clients have not been registered under the Securities Act, the securities laws of any state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration of the interests under the Securities Act or other securities laws will ever be effected. There is no public market for the interests, and one is not expected to develop. Further, the documents governing an Advisory Client provide that an investor's interest is not generally transferable and voluntary withdrawal of an investor's interest is not allowed. An investor will not be permitted to assign or transfer its interest without the prior written consent of the general partner (or similar managing fiduciary) of an Advisory Client, which may be given or withheld in the general partner's (or similar managing fiduciary's) discretion. In addition, no such sale, transfer, assignment, pledge or other disposition may take place unless it would not cause an Advisory Client to be treated as a "publicly traded partnership" within the meaning of Section 7704 of the Code and certain other conditions provided in the documents governing an Advisory Client are met. Except in extremely limited circumstances, voluntary withdrawals from an Advisory Client will not be permitted. The investors must be prepared to bear the risks of owning interests and contributing capital for an extended period of time.

Required Withdrawal. The general partner (or similar managing fiduciary) of an Advisory Client, in its sole and absolute discretion, may require an investor to withdraw from the Advisory Client if such investor's continued participation in the Advisory Client would (i) result in a violation of the Securities Act or any comparable state law by the Advisory Client, (ii) require the Advisory Client to register as an investment company under the Investment Company Act, (iii) require the Advisory Client, the general partner (or similar managing fiduciary) or any affiliate thereof that is not registered under the Advisers Act, to register as an adviser under the Advisers Act, (iv) result in a termination of the Advisory Client's status as a partnership for tax purposes, (v) result in a violation of any law, rule or regulation by the Advisory Client, the Company, Quantum, or their

respective officers, directors, employees, shareholders, partners, managers, members or any affiliate thereof, (vi) cause the Advisory Client to be deemed a “publicly traded partnership” as such term is defined in Section 7704(b) of the Code, (vii) cause the Advisory Client or its general partner (or similar managing fiduciary) to be controlled by a “banking entity” as defined in Section 13(h)(1) of the Bank Holding Company Act of 1956 (as amended from time to time or any successor statute thereto) or a “nonbank financial company supervised by the Board of Governors” as defined in Section 102(a)(4)(D) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, (viii) cause the Advisory Client or any related Advisory Client to fail to comply with FATCA (as defined below) or any agreement made with the IRS (or other applicable authority) pursuant to FATCA, (ix) as determined by the general partner (or similar managing fiduciary) of an Advisory Client in its discretion, cause the disqualification of the Advisory Client or any of its affiliates from using Rule 506 of Regulation D under the Securities Act due to such investor being or becoming subject to a disqualification event described in Rule 506(d)(91)(i) – (viii) of Regulation D of the Securities Act or (x) likely result in a material adverse effect on the Advisory Client, the Company, Quantum or any of their respective affiliates, any investment or any prospective investment. Such required withdrawal may result in negative consequences, including the failure of such investor to recognize the full value of its investment in the Advisory Client or receive distributions in respect of its withdrawal in a timely manner.

Distributions in Kind. While it is expected that an Advisory Client’s investments will be liquidated through sale for cash consideration, marketable securities may be distributed during the life of an Advisory Client with certain consents. Non-marketable securities may be distributed upon the liquidation of an Advisory Client. The risk of loss and delay in liquidating securities or other assets distributed in kind will be borne by the investors, with the result that such investors may receive less cash than was reflected in the fair value of such securities as determined by the general partner (or similar managing fiduciary) pursuant to the documents governing an Advisory Client, and the general partner (or similar managing fiduciary) may receive more carried interest than it would have been entitled to had such securities been valued at the price they are ultimately disposed of for). In addition, when investments are distributed to the investors in kind, such investors may become minority shareholders in the underlying portfolio investments and may be unable to protect their interests therein effectively.

Concentration of Investments and Potential Lack of Diversification. An Advisory Client will participate in a limited number of investments and, as a consequence, the aggregate return of an Advisory Client may be affected by the performance of a single investment.

Subject to restrictions set forth in the relevant governing documents, the general partner (or similar managing fiduciary) will be under no obligation to diversify an Advisory Client’s investments. While diversification is an objective of an Advisory Client, there is no assurance as to the degree of diversification that will actually be achieved in an Advisory Client’s investments. Because an Advisory Client has the ability, up to a certain level, to concentrate its investments in a single portfolio investment and an unlimited amount of its assets in a single industry, the overall adverse impact on an Advisory Client of adverse movements in the value of the securities of a single issuer will be considerably greater than if an Advisory Client were not permitted to

concentrate its investments to such an extent. To the extent an Advisory Client concentrates investments in a particular geographic region, security, investment sector or stage of investment, investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions applicable to such region, type of security, sector or stage of investment.

Follow-On Investments. Following the initial investment in a portfolio investment, an Advisory Client may be called upon to provide additional funds or have the opportunity to increase its investment in such portfolio investment or to fund additional funds through such portfolio investment. There is no assurance that an Advisory Client will make follow-on investments or that an Advisory Client will have sufficient resources to, or be permitted to, make such investment. Any decision by an Advisory Client not to make follow-on investments or its inability to make them may have a substantial negative impact on a portfolio investment in need of such an investment, may result in missed opportunities for an Advisory Client or may result in dilution of an Advisory Client's investment.

Tax and Regulatory Risks

Tax Risks. There are a number of tax considerations with respect to an investment in an Advisory Client. In particular, investors should be aware that they will be taxed annually on an Advisory Client's income and realized gains, if any, whether or not they receive any cash distributions from an Advisory Client. In addition, an Advisory Client may realize short-term and long-term gains and losses at any time and in any amounts without regard to whether they are short- or long-term.

Financial and Tax Situation. The results of an Advisory Client's activities may affect individual partners differently, depending upon their individual financial and tax situations because, for instance, of the timing of a cash distribution or of an event of realization of gain or loss and its characterization as long-term or short-term gain or loss. The general partner (or similar managing fiduciary) will endeavor to make decisions in the best interest of an Advisory Client as a whole, but there can be no assurance that a result will not be more advantageous to the general partner (or similar managing fiduciary) than to a particular investor.

Securities Laws. The Interests have not been, nor will be, registered under the Securities Act, or any state or other U.S. or non-U.S. securities laws. No Advisory Client will be registered under the Investment Company Act, and accordingly, Advisory Clients' investors are not accorded the protections of the Investment Company Act.

Regulatory Risks. Regulatory changes could occur during the term of an Advisory Client that may adversely affect an Advisory Client.

Non-U.S. Investments. An Advisory Client may invest globally, including in portfolio investments located in emerging markets. Foreign securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters including fluctuations in the rate of exchange between the U.S. dollar and the various

foreign currencies in which an Advisory Client's foreign investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another, (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, (iv) certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital and the risks of political, economic or social instability, (v) obtaining foreign governmental approvals and complying with foreign laws and (vi) the possible imposition of foreign taxes on income and gains recognized with respect to such securities. Anti-fraud and anti-insider trading legislation in these countries may be rudimentary. There may be no prohibitions or restrictions on the ability of management to terminate existing business operations, sell or otherwise dispose of a portfolio investment's assets, or otherwise materially affect the value of the company without the consent of the company's shareholders. Anti-dilution protection also may be very limited. In these countries, the concept of fiduciary duty on the part of the management or directors of companies to shareholders may be limited. The legal systems in these countries may offer no effective means for an Advisory Client to seek to enforce its rights or otherwise seek legal redress or to seek to enforce foreign legal judgments.

Prevention of Money Laundering. As part of the general partner's (or similar managing fiduciary's) responsibility for the prevention of money laundering under the Uniting and Strengthening America by Providing Appropriate Tools Required to Interrupt and Obstruct Terrorism Act of 2001 (the "PATRIOT Act") and similar laws in effect in foreign countries, Advisory Clients may require detailed verification of a prospective investor's identity and the source of such prospective investor's funding. In addition, each prospective investor will be required to represent and warrant to an Advisory Client, among other things, that (i) the proposed investment by such prospective investor will not directly or indirectly contravene U.S. federal, state, international or other laws or regulations, including the PATRIOT Act, (ii) no capital contribution to an Advisory Client by such prospective investor will be derived from any illegal or illegitimate activities, (iii) such prospective investor is not a country, territory, person or entity named on a list promulgated by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") prohibiting, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals, nor is such prospective investor or any of its affiliates a natural person or entity with whom dealings are prohibited under any OFAC regulations and (iv) such prospective investor is not otherwise prohibited from investing in an Advisory Client pursuant to other applicable U.S. anti-money laundering, anti-terrorist and foreign asset control laws, regulations, rules or orders. Each investor will be required to promptly notify the general partner (or similar managing fiduciary) if any of the foregoing will cease to be true with respect to such investor.

As a result of the above-described money laundering regulations, the general partner (or similar managing fiduciary) of an Advisory Client may from time to time request, and the investors will be obligated to provide to the general partner (or similar managing fiduciary) upon such request, additional information as from time to time may be required for it and the Advisory

Client to satisfy their respective obligations under these and other laws that may be adopted in the future. Also, the general partner (or similar managing fiduciary) may from time to time be obligated to file reports with various jurisdictions with regard to, among other things, the identity of an Advisory Client's investors and suspicious activities involving the Interests.

If it is determined that any investor, or any direct or indirect owner of any investor, is a person identified in any of these laws as a prohibited person, or is otherwise engaged in activities of the type prohibited under these laws, the general partner (or similar managing fiduciary) may be obligated, among other actions to be taken, to withhold distributions of any funds otherwise owing to such investor or to cause such investor's Interests to be cancelled or otherwise redeemed (without the payment of any consideration in respect of those Interests).

ERISA Considerations and Limitations on Pension Funds. The general partner (or similar managing fiduciary) of an Advisory Client intends to use reasonable best efforts to conduct the affairs of an Advisory Client in such a manner so that its investments will not be regarded as "plan assets" subject to the provisions of ERISA and the prohibited transaction provisions of Section 4975 of the Code. Persons acting as fiduciaries on behalf of qualified profit-sharing, pension or other retirement trusts subject to ERISA, should satisfy themselves that an investment in an Advisory Client is consistent with Section 404 of ERISA and that the investment is prudent, taking into consideration cash flow and other objectives of the investor.

FOIA. To the extent that the general partner (or similar managing fiduciary) determines in good faith that, as a result of the U.S. Freedom of Information Act ("FOIA"), any governmental public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, an investor or any of its affiliates may be required to disclose information relating to an Advisory Client, its affiliates, and/or any entity in which an investment is made (other than certain fund-level, aggregate performance information described in the documents governing an Advisory Client), the general partner (or similar managing fiduciary) may, in order to prevent any such disclosure, withhold all or any part of the information to be provided to such investor, as described in the documents governing an Advisory Client.

U.S. Regulation of the Private Equity Industry; Enhanced Scrutiny of Private Fund Industry. Current regulations, as well as future legislation, such as the Private Funds Rule adopted by the SEC in August 2023, may have an adverse effect on the private investment fund industry generally and/or on an Advisory Client, specifically. The growth of the private fund industry and the increasing size and reach of private fund transactions has prompted additional governmental attention to the industry and its practices. Acquisition of equity securities by a private fund often results in reporting and compliance obligations under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and other similar laws, rules and regulations in non-U.S. jurisdictions ("Antitrust Laws"). Compliance with Antitrust Laws could significantly delay the closing of a transaction, lead to deal abandonment, increase the cost of operating an Advisory Client, and/or infringe upon the ability of the Advisory Client to engage in certain transactions. Additionally, certain media, regulatory and political discourse has been and continues to be

focused on enhancing governmental scrutiny of and/or increasing regulation of the private fund industry. In addition, regulators have indicated an interest in reviewing and possibly adopting further regulatory measures relating to the recent high volume of special purpose acquisition companies (“SPACs”) active in the public capital markets, including with respect to utilization of (or involvement with) SPACs by private fund sponsors or their personnel. Increased regulation targeting SPACs could restrict the use of SPACs as a potential investment or exit opportunity for an Advisory Client. Similar increased regulatory and other scrutiny could apply in the future to other structures used by fund sponsors. As a result, an Advisory Client may make fewer investments, incur greater expenses or delays in completing or exiting investments, and/or realize lower proceeds on the disposition of investments than it otherwise would have. Moreover, any such enhancement of scrutiny or increase in regulation may adversely impact an Advisory Client’s activities (including the Advisory Client’s ability to implement portfolio company operating improvements), comply with applicable laws, rules and regulations in a manner not materially more burdensome than currently anticipated, or otherwise execute its investment strategy or achieve its investment objectives.

Additional scrutiny may divert the Firm’s and its employees time, attention, and resources from portfolio management activities. Therefore, there can be no assurance that any additional regulatory scrutiny or initiatives will not have an adverse impact on an Advisory Client or otherwise impede an Advisory Client’s activities.

European Union Regulation of the Private Equity Industry. The EU Alternative Investment Fund Managers Directive and the UK Alternative Investment Fund Managers Regulations 2013 (together, the “AIFMD”), as implemented in each member state of the European Economic Area (“EEA”) and as implemented and retained by the UK following its departure from the EU, regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors in the EEA, and the UK respectively. To the extent that an Advisory Client is actively marketed to investors domiciled or having their registered office in the EEA or the UK: (i) the Advisory Client, and/or the Company will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Advisory Client incurring additional fees, costs and expenses; (ii) the Advisory Client, and/or the Company may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions or the UK, which would result in the Advisory Client incurring additional fees, costs and expenses or otherwise affect the management and operation of the Advisory Client; (iii) the Company will be required to make detailed information relating to the Advisory Client and its investments available to regulators and third parties; and (iv) the AIFMD will restrict certain activities of the Advisory Client in relation to EEA or UK portfolio companies (including, in some circumstances, the Advisory Client’s ability to recapitalize, refinance or potentially restructure a portfolio company within the first two years of ownership), which may in turn affect operations of the Advisory Client generally. Any fees, costs and/or expenses incurred by the Advisory Client, the Company and/or their respective affiliates in connection with complying with AIFMD or otherwise marketing an Advisory Client to investors in the EEA or the UK will be expenses of the relevant Advisory Client. Such fees, costs and/or expenses include the engagement of local counsel, filing fees and other offering-related fees. In addition, it is possible that some 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 Advisory Client to raise its targeted amount of capital commitments. The Quantum may provide information regarding an Advisory Client to UK or EEA investors who have contacted Quantum or its placement agent (if applicable) at the investor's own initiative to request such information. Where information is provided in response to an own-initiative request by a prospective investor, such investor will not benefit from any protections or rights under the AIFMD in respect of any resulting subscription for Interests.

Material, Nonpublic Information. Employees, Consultants and/or Affiliates of Quantum may serve as directors of, or in a similar capacity with, issuers of investments held by the Advisory Clients. In certain situations where material nonpublic information is obtained with respect to such issuers, the Advisory Clients, could be prohibited by law or otherwise from purchasing or selling such financial instruments of such issuers for a period of time, and such prohibitions may have an adverse effect on the Advisory Clients.

Conflicts of Interest

Allocation of Personnel. Quantum will continue to actively manage other advisory clients. Accordingly, Quantum will devote a portion of its resources, including a portion of the business time of its Quantum management team personnel, to such activities. In addition, employees of Quantum will work on other projects unrelated to an Advisory Client and, therefore, conflicts may arise in the allocation of personnel.

Valuation. The determination of the fair value of an investment may impact the calculation of the management fee and carried interest to the extent such valuation would result in a write-down, which could incentivize Quantum to refrain from writing down investments. The foregoing is mitigated by the fact that the valuations of an Advisory Client's investments are undertaken by the Valuation Committee that is composed of both investment professionals and back-office personnel, including the Chief Financial Officer who has a veto on all valuations. The valuations approved by the Valuation Committee are audited annually by the Advisory Client's independent public accounting firm and in certain circumstances, such valuations may be submitted to an LPAC for such Advisory Client, which will have the opportunity to object to such valuations.

Diverse Membership. The investors may have conflicting investment, tax and other interests with respect to their investments in an Advisory Client. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of the investments made by an Advisory Client, the structuring or the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions to be made by the Company, Quantum and its affiliates, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for an Advisory Client, the Company and Quantum will consider the investment and tax objectives of an Advisory Client and its partners

as a whole, not the investment, tax or other objectives of any investor individually, unless the investor has a separate investment management agreement with the Company.

Side Letters. An Advisory Client may from time to time enter into side letters with one or more investors which provide such investors with additional or different rights (including with respect to access to information, liquidity terms and economic terms) than such investors have pursuant to the documents governing an Advisory Client. Certain of such investors may have other relationships with Quantum. As a result of such Side Letters, certain investors may receive additional benefits (including expanding informational rights or preferential liquidity or economic terms) which other investors will not receive. It is envisioned that such side letter provisions may be agreed with certain investors, depending on specific legal, regulatory, tax, reporting, administrative or other policy requirements or other considerations applicable to such investors and the size and timing of their commitments to an Advisory Client. Certain of these investors may have legal or other economic links with Quantum.

Investor Advisory Committee. The general partner (or similar managing fiduciary) of an Advisory Client may, as contemplated by the documents governing an Advisory Client, seek approval of the members of the LPAC with respect to potential conflict of interest situations and LPAC approval will be required to resolve certain conflicts and other matters. The approval of the LPAC will be binding on all limited partners as provided in the governing documents.

Conflicts with Portfolio Companies. Officers and employees of Quantum may serve as directors and officers of certain portfolio investments and, in that capacity, will be required to make decisions that they consider in the best interests of such portfolio investments and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio investment, actions that may be in the best interests of the portfolio investment may not be in the best interests of an Advisory Client, and vice versa. Accordingly, in these situations there will be conflicts of interests between such individual's duties as an officer or employee of Quantum and such individual's duties as a director or officer of such portfolio investment.

Service Providers. An Advisory Client's service providers (including lenders, brokers, attorneys and investment banking firms) may be investors in an Advisory Client and/or sources of investment opportunities and counterparties therein. This may influence the decision whether to select such a service provider or have other relationships with Quantum. Notwithstanding the foregoing, investment transactions for an Advisory Client that require the use of a service provider, will generally be allocated to service providers on the basis of best execution.

Related Party Transactions. Advisory Clients and their portfolio companies are permitted to purchase investments or assets from or sell investments or assets to Quantum or its affiliates, limited partners, portfolio companies of other Advisory Clients, their investors, or their respective related parties, including parties which such limited partners or portfolio companies, or other Advisory Clients, own or have invested in. Such related party transactions give rise to inherent potential conflicts of interest, including allocation of investment interests, governance rights and

the sharing of fees and expenses. For example, where multiple Advisory Clients invest in the same company at different times, the first Advisory Client to invest typically will bear all or a higher level of fees, costs and expenses (including diligence and transaction amounts) than later Advisory Clients; similarly, to the extent a transaction does not proceed, the first Advisory Client to invest typically will bear the full amount of costs and expenses relating to the unconsummated transaction, regardless of whether the other Advisory Client could or would have invested in the company in potential future transactions. There can be no assurance that the Advisory Clients will exit the investments at the same time or on the same terms.

Co-Investments. Quantum is permitted to offer co-investment opportunities in portfolio investments pursuant to the terms of the applicable Advisory Client's governing documents, including co-investment vehicles that co-invest in all an Advisory Client investments, as well as other vehicles in which Quantum may not offer co-investment with respect to all of an Advisory Client's investments and may allocate any such opportunities among interested parties in its sole discretion, including for example (and without limitation), on the basis of the size of investor commitments to funds managed by Quantum, vehicles and accounts as well as a broad range of other considerations, including preference for investors in funds managed by Quantum, commercial considerations for the applicable portfolio investment, an investor's stated desire to participate in co-investments, Quantum's determination of the appropriateness of offering a co-investment opportunity, an investor's ability to execute such offer and the approval of transaction counterparties, amongst other considerations. Quantum may, but will not be obligated to, offer available co-investment opportunities directly to certain investors prior to making such opportunities available to non- investors on such terms and conditions as determined by Quantum. Quantum may receive management fees and carried interest and with respect the co-investment opportunities.

When an Advisory Client makes an investment with the expectation that a portion of its interests will be reallocated as a co-investment opportunity to investors and/or sold to other co-investment participant, there can be no assurance that the reallocation or sale of such investments will take place on terms and conditions that will be preferable for the Advisory Client or that expenses incurred by the Advisory Client with respect to such co-investment or sale (which could be substantial) will be shared by co-investment participants.

Unlike co-investment vehicles that co-invest in all Advisory Client investments, co-investors in one or more specific investments will not necessarily be required to share in broken deal expenses that are paid by the Advisory Clients, either with respect to a co-investment opportunity that is not consummated or with respect to other potential investments that may be offered to the Advisory Client. Quantum will endeavor to allocate such fees, costs and expenses on a fair and equitable basis; however, co-investors may not agree to pay or otherwise may not bear such fees, costs and expenses if such co-investors have not been identified as of the time such potential investment ceases to be pursued and/or if such co-investors did not agree to pay such fees, costs and expenses as a condition to participating in the co-investment opportunity. In that event, such fees, costs and expenses will be considered operating expenses of and be borne by the relevant Advisory Client.

Continuation Funds. In certain situations, Quantum may determine that it would be in the best interests of an Advisory Client to provide an opportunity for underlying investors to obtain liquidity for all or a portion of their interests or their interests in particular investments while other Advisory Clients own, and Quantum continues to manage, such investments. In such situations, Quantum may seek to raise capital from third parties (including underlying investors) who wish to directly or indirectly acquire interests in one or more portfolio companies from an Advisory Client, including through the creation of a new investment fund or similar continuation vehicle that would be advised by Quantum (each, a “Continuation Fund”) and from which the Firm may receive asset-based and performance-based compensation, as determined by the Firm. When making such determination, Quantum may take the view that a particular investment: (i) has the potential for additional value that may require a longer holding period or additional fundings of capital than is appropriate or permitted for the Advisory Clients that then-own such investment and/or that the optimal exit from such investment is likely to be achieved as of such later date or (ii) that due to a variety of circumstances (e.g., prevailing market conditions, a changed risk-return for the asset, the life-cycle of the Advisory Client, etc.), the relevant investment is no longer suitable for the Advisory Clients that own it at such time.

The Firm may, but will not be obligated to, offer the selling underlying investors the ability to reinvest in the relevant investment through the applicable Continuation Fund via roll-over equity or other means. Quantum may seek to require the purchasers to make commitments to a successor fund and/or its parallel funds advised by the Firm or accept the terms of disposition offered by the new investors for the portfolio company interests.

Subject to applicable legal, tax, regulatory, accounting, political, national security or similar reasons, to the extent that the Firm does offer the selling underlying investors the ability to reinvest in the relevant investment through the applicable Continuation Fund, Quantum expects to extend such offer pro rata based on their investment percentages with respect to the asset(s) being sold (or otherwise transferred or contributed) to such Continuation Fund. Additionally, it is possible that new investors will be subscribing for interests in a Continuation Fund (“New Funding Investors”) alongside underlying investors that will be rolling their interests in the underlying investments (“Rolling Investors”) and that such New Funding Investors may participate in any such Continuation Fund on terms that are more or less favorable than the terms offered to Rolling Investors, resulting in additional conflicts of interest between the interests of such New Funding Investors and such Rolling Investors. In addition, such New Funding Investors in a Continuation Fund may participate on terms that could result in dilution of Rolling Investors’ indirect interests in the relevant underlying investments and could adversely affect returns to such Rolling Investors. Also, as a consequence of the potential for New Funding Investors to be offered preferred economics in the Continuation Fund, the amount and timing of returns to a Rolling Investor from a Continuation Fund may not be the same as those for the New Funding Investor, which may be paid in priority to returns to the Rolling Investors. Similarly, the terms applicable to any underlying investor’s retained interest may be less favorable than the terms applicable to other interests in the relevant underlying investment that are sold by the Advisory Client.

Because Quantum will have the opportunity to earn additional asset-based and performance based compensation and other economic benefits in respect of such transactions, and because each purchaser's commitment to acquire interests in a successor fund and/or its parallel funds could be conditioned upon completion of the transaction, the Firm will have potential conflicts of interest with respect to any such transaction, including in determining the terms and participants in connection with such transaction. In the circumstances outlined above, the Firm may determine that it is in the interests of the relevant Advisory Clients to enter into a cross trade with another Advisory Client or Advisory Clients, it being understood that such cross trade would be completed in accordance with the Adviser's policies and procedures with respect to cross trades and the Advisory Client's governing documents.

Investment in Portfolio Companies Held by Other Advisory Clients. Advisory Clients will in certain cases make investments (including investments in different parts of the capital structure of the same issuer) in the same company or asset as other Advisory Clients, and while such investments will likely raise conflicts of interest, the Firm recognizes that not every such situation will necessarily lead to adversity amongst Advisory Clients and that such investments may be both desirable and consistent with the investment goals of an Advisory Client. Consequently, Advisory Clients are permitted to, and will, from time to time, make an investment in a portfolio company or asset in which one or more other Advisory Clients hold an investment (with such investment being in the same class of security acquired by the Advisory Client, in a different class of security to the security acquired by the Advisory Client or in the debt or other instrument of the relevant portfolio company) or such other Advisory Clients are permitted to invest in a portfolio company or asset in which the Advisory Client is already invested.

If an Advisory makes an investment in a company or asset in which another Advisory Client holds an investment in a different class of such company's or asset's debt or equity, the Firm will likely have conflicting interests between its duties to the Advisory Client and such other Advisory Client. As a consequence of the type of investment held by each Advisory Client in the relevant portfolio company or asset, each such Advisory Client will likely have a different assessment of the situation and the approach that best serves its interest, including in respect of significant matters such as the best exit strategy for an investment, the quality of the management team, the achievability of a financial budget or the economic and other terms of an investment. Because Advisory Clients can have different positions in the portfolio company's or asset's capital structure, there can be conflicts, especially if the portfolio company suffers financial difficulties. If a portfolio company or asset in which both the different Advisory Client have invested (including, investments in different parts of the capital structure) runs into difficulties, then decisions about what action should be taken and the terms of any work-out or restructuring will likely raise conflicts of interest. For instance, one Advisory Client could be best served by liquidation of the portfolio company or asset to allow its debt to be repaid at the expense of the equity holders in other Advisory Clients.

Warehoused Investments. An Advisory Client may purchase from Quantum, or its affiliates, certain securities, investments and other interests ("*Warehouse Investments*") prior to

the initial closing of an Advisory Client. If such purchase of Warehoused Investments is consummated (in whole or in part), the purchase price and acquisition terms for each Warehoused Investment will be equal to the price and on the terms disclosed to potential limited partners prior to the initial closing date. In accordance with the Advisory Client's governing document, each investor will be required to make certain acknowledgments regarding the Warehoused Investments and any actual or potential conflict of interest that may be involved in transferring such investments to the Advisory Client and to expressly consent to the Advisory Client's acquisition of the Warehoused Investments from Quantum or its affiliates.

Financing with Other Affiliated Funds. Due to applicable tax and regulatory considerations, Quantum may sometimes structure certain investments in a manner such that an Advisory Client (or an entity through which an Advisory Client makes an investment) obtains debt financing from (or enters into a similar transaction with) other Advisory Clients or other entities affiliated with such Advisory Client. In such cases, the equity interest of such Advisory Client will be subordinate to such loans and, accordingly, there may be circumstances in which the loans made by the other Advisory Clients are repaid in full while such Advisory Client is not able to recoup its equity investment or earn an adequate return. Quantum seeks to structure such transactions so that the projected return to the equity investment of such Advisory Client, after taking into account such borrowings, if obtained, would exceed the return to the other Clients with respect to their loans; however, the ability to structure a transaction in this manner is dependent upon the underlying facts and circumstances with respect to the transaction and consequently there is no guarantee that any such financing would result in the equity investment of an Advisory Client exceeding the return to other Advisory Clients with respect to their loans. To the extent practicable in light of their duties to multiple Clients, Quantum will seek to act in the best interests of all Advisory Clients in determining the amount of each such investment opportunity to structure as debt, the amount to structure as equity and the terms of any debt instruments.

The equity holders and debt holders of a particular investment will, in certain instances, have conflicting interests during the term of such an investment, especially if the investment is underperforming. In such circumstances, Quantum will seek to ensure that appropriate procedures are implemented so that the interests of each Advisory Client are adequately protected to the extent reasonably practicable and that all such transactions are structured in a manner that Quantum believes is fair and equitable to the parties thereto as a whole in light of such conflicts.

Transactions Among Portfolio Companies. Advisory Client investments may include controlling interests in portfolio companies. To seek to enhance the value of any portfolio company, issuer or borrower that an Advisory Client may, in limited circumstances, end up owning or controlling (such as, as a result of the pursuit of remedies upon a default by such portfolio company or in connection with a bankruptcy or restructuring), Quantum may seek to cause a portfolio company to: (i) do business with another portfolio company owned by Advisory Clients (an "Affiliate Company"); (ii) lend or borrow from an Affiliate Company; (iii) enter into joint ventures with an Affiliate Company; or (iv) buy or sell an interest (including a controlling

interest) in, or to, an Affiliate Company. An Advisory Client may have no interest in the Affiliate Company with which its portfolio company is doing business or engaging in any of the transactions described above. Alternatively, an Advisory Client may have divergent interests in various portfolio companies doing business or engaging in any of the transactions described above. Quantum will seek to enter into transactions among portfolio companies owned by Advisory Clients where they believe that such transactions enhance the value of all such portfolio companies to the benefit of Advisory Clients and their investors. However, there can be no assurance that such transactions will benefit an Advisory Client's portfolio companies, and such transactions may result in benefits solely to a portfolio company in which an Advisory Client has no interest (e.g., to the extent consistent with the governing documents of an Advisory Client, purchasing securities or other assets from, selling securities or other assets to, or entering into servicing, administration, back-office, financing or other transactions with, such portfolio companies (both on an agency and principal basis).

ITEM 9. DISCIPLINARY INFORMATION

Neither the Company, its affiliates nor any of their professionals have been the subject of any legal or disciplinary finding of an investment-related nature that would be material to the business of Quantum. Quantum and certain of its affiliates and management persons have, however, been named in private civil actions relating to its or their portfolio investment activities. Quantum's policy is to vigorously contest all actions.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Quantum Advisers, LLC (“Quantum Advisers”) a registered investment adviser, is a related party to QEP Advisers. To the extent that there are transactions between advisory clients of QEP Advisers and Quantum Advisers, the parties have arrangements in place, either in the governing documents for the Advisory Clients or otherwise, for independent parties to consent to or approve any such transactions.

Quantum currently acts as investment adviser or exempt collateral manager to a number of Advisory Clients, and related persons typically act as a general partner (or similar managing fiduciary) of such Advisory Clients. The Company may face a number of potential conflicts of interest including, (i) allocation of investment opportunities among Advisory Clients, (ii) Advisory Clients making investments in portfolio companies in which other Advisory Clients have an interest and (iii) allocation of time of Quantum personnel to the business affairs of its Advisory Clients. Such conflicts of interest are discussed in more detail in Items 6, 8 and 11.

Quantum and its affiliates devote as much of their time and effort to the affairs of clients as may, in their judgment, be necessary to accomplish the clients’ purposes. Quantum and its affiliates may conduct any other business, including any business within the securities industry. For example, employees of Quantum and its affiliates may serve on the boards of directors of portfolio companies of Advisory Clients. Serving in such capacity may give rise to conflicts to the extent that an employee’s fiduciary duties to a portfolio company as a director may conflict with the interests of an Advisory Client.

In addition to the indirect owners listed in Schedule B of the Form ADV Part 1A, one or more investment funds managed by Dyal Capital Partners (collectively, “Dyal”), a division within Blue Owl Capital Inc., hold an indirect, passive, non-voting minority interest in QEP Advisers. Dyal has no authority over the day-to-day operations or investment decisions of QEP Advisers as they relate to the funds, but it has certain customary minority protection rights.

For a more detailed list of related parties that serve as related advisers, general partners or managing members of Advisory Clients, see Section 7.A. of Schedule D of QEP Adviser’s Form ADV Part 1. QEP Advisers does not have other financial industry activities and affiliations that are material to its business.

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

Code of Ethics

Quantum has adopted a Code of Ethics (the “Code”) that prescribes standards of ethical conduct for its employees and other personnel and is designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act. The Code requires employees to always act in accordance with Quantum’s fiduciary duty to its Advisory Clients. Each employee should (i) at all times place the interests of the Advisory Clients before his or her own interests, (ii) never take inappropriate advantage of his or her position for his or her personal benefit, (iii) disclose outside business activities that may conflict with the interests of Advisory Clients (iv) make full and fair disclosure of all material facts, particularly where Quantum’s or the employee’s interests may conflict with Advisory Clients’, and if necessary, take appropriate action to minimize any such conflicts and (v) employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to Quantum or another appropriate party of any actual or suspected violations of law by the Company or its employees or affiliates. The Code provides guidance in specific areas, including but not limited to, standards of conduct, personal investments and securities trading, gifts and entertainment and personal political activities.

All employees receive periodic training as necessary regarding the Code and other Firm’s policies and procedures including, among other topics, policies and procedures relating to the confidentiality of client and investor information; a prohibition on insider trading; gifts and business entertainment items; outside business activities, political contributions and personal securities trading procedures. In addition, employees must periodically confirm that they have read and understand Quantum’s Compliance Manual.

The Code is available to clients, investors or prospective clients or investors by writing to Quantum Capital Group, 800 Capitol Street, Suite 3600, Houston, TX 77002, Attn: Client Solutions Group.

Possession of Material, Non-Public Information and other Trading Restrictions

Quantum, its affiliates, and their professionals may come into contact with material, non-public information in connection with their activities for Quantum, the Company or their affiliates. Quantum has established policies and procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists, and preapproval of certain transactions. Under no circumstances may a professional trade on material, non-public information for his or her own account, the accounts of certain family members or the account of an Advisory Client.

ITEM 12. BROKERAGE PRACTICES

The Company does not routinely trade public securities on behalf of Advisory Clients. The Company has discretion to select brokers and dealers to execute securities transactions for Advisory Clients and in making any such selection will consider various quantitative and qualitative factors as appropriate. Although the Company will seek competitive commissions and spreads, it may not necessarily obtain the most competitive terms for any particular transaction. From time to time, brokerage firms may provide services with respect to portfolio investments in addition to securities execution. In particular, certain investment banks may provide underwriting services with respect to securities offerings of portfolio investments.

The Company has not entered into soft dollar arrangements for research or other benefits.

ITEM 13. REVIEW OF ACCOUNTS

Each portfolio investment of an Advisory Client is monitored by one or more members of Quantum's executive leadership team, who typically serve on the board of directors or equivalent governing body of such investment. In addition, all of the portfolio investments are regularly reviewed by the members of Quantum's management including its Investment Committee. This review generally includes monitoring the operations and financial performance of the portfolio investments as well as the overall strategic direction and performance of each Advisory Client as a whole.

Investors in an Advisory Clients typically receive quarterly financial reports, audited annual reports and required tax information. Generally, these reports contain information on the Advisory Client's portfolio holdings, valuation of their interests in the Advisory Client and cash distributions. These reports may include or be accompanied by information with respect to the performance of the Advisory Client and other information about the investor's capital account. New Advisory Clients or investors in an Advisory Client will receive a copy of this Brochure prior to or at the time of entering into an advisory contract.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

The Company does not currently compensate any person for referring clients to Quantum. However, at times, Quantum will engage a third-party placement agent to distribute an Advisory Client's interests to investors in exchange for a placement fee with respect to such investors' subscriptions to the Advisory Client. Certain Advisory Client's governing documents also provide that this placement fee will offset, on a dollar-for-dollar basis, the Management Fees paid by the relevant Advisory Client to Quantum.

For a more complete discussion regarding Advisory Client placement agent arrangements and applicable fees, please refer to the governing documents of the Advisory Client of interest.

ITEM 15. CUSTODY

The Company or its affiliates is deemed to have custody of the underlying assets of its Advisory Clients because of the authority that Quantum and its affiliated entities have over those assets. The Company relies on an exception from the reporting and surprise audit obligations imposed by the SEC that is available to “pooled investment vehicles”. The Advisory Clients utilize unaffiliated, qualified, third-party custodians (generally banks, trust companies and brokerage firms) to hold cash and cash equivalents and public company securities of its Advisory Clients. The Advisory Clients are audited annually by a major accounting firm that is a member of, and examined by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles and provided to Advisory Clients and their investors within 120 days of the end of each fiscal year.

ITEM 16. INVESTMENT DISCRETION

The Company provides investment advice to its Advisory Clients on a discretionary basis. An affiliate of the Company serves as the general partner of the applicable Advisory Client and in that capacity has discretionary investment authority for each Advisory Client. Generally, this discretion is subject only to the investment guidelines set forth in the governing documents of an Advisory Client. Such governing documents provide that the applicable general partner has the authority to make all decisions concerning the investigation, evaluation, selection, negotiation, structuring, commitment to, monitoring of and disposition of investments. An LPAC of a limited number of investors is typically established for each Advisory Client to, among other things, receive notice of, advise on and provide consent to certain conflicts of interest matters.

ITEM 17. VOTING CLIENT SECURITIES

While the documents governing Advisory Clients allow for the acquisition of public securities, Advisory Clients typically do not make such acquisitions. Public securities may, however, be acquired in connection with an exit transaction or otherwise. The Company adopted policies and procedures reasonably designed to ensure that any public securities will generally be voted in a manner that serves the best interest of its Advisory Clients, as determined in its discretion, taking into account relevant factors.

ITEM 18. FINANCIAL INFORMATION

At this time, the Company is not aware of any financial condition that could impair its ability to meet its contractual obligations to Advisory Clients. The Company has not been the subject of any bankruptcy petitions, including in the past ten years.