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MARCH 30, 2011

This brochure provides information about the qualifications and business practices of EIG Management Company, LLC (“Adviser”). If you have any questions about the content of this brochure, please contact us at (202) 600-3321 or at adv@eigpartners.com. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov.

Adviser refers to itself as a “registered investment adviser” in materials distributed to current and prospective clients. As a registered investment adviser with the SEC, Adviser is subject to the rules and regulations adopted by the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser is not an indication that Adviser or its directors, officers, employees or representatives have attained a particular level of skill or ability.

ITEM 2 – MATERIAL CHANGES

Effective October 12, 2010, the SEC substantially and materially modified the structure and requirements of Part II of Form ADV. In response to these changes, the information provided herein will appear substantially different from information provided by Adviser last year. Clients should note, however, that there has been no material change to the substance of the information provided, merely the form.

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ITEM 4 – ADVISORY BUSINESS

A. Advisory Firm

Adviser (also known as EIG Global Energy Partners) is a Delaware limited liability company that commenced operation on November 18, 2010, and is owned and controlled by EIG Asset Management, LLC, R. Blair Thomas, Kurt A. Talbot and Randall S. Wade. Prior to January 1, 2010, Adviser was known as the Energy and Infrastructure Division of Trust Company of the West, and has since continued its 28-year history of energy investing.

B. Specialization

Adviser has a long history and a strong background of investing in the energy sector. Adviser specializes in investing across the capital structure of energy and energy-related infrastructure companies and providing mezzanine debt, equity and higher credit quality project finance instruments. Adviser generally manages two main product lines for investors that address two different segments of the capital structure: (i) asset-based mezzanine and equity funds; and (ii) structured products (the TCW Global Project Fund (GPF) series), which are leveraged investment vehicles that target higher credit quality project finance instruments and lower overall returns than the asset-based mezzanine and equity funds.

C. Advisory Services

Adviser provides investment advisory services with respect to private pooled investment vehicles and related parallel investment vehicles (each, a “**Fund**”). Adviser will manage each Fund based on the investment objectives and investment restrictions set forth in the governing agreement and/or confidential offering memorandum of a Fund (the “**Offering Documents**”) and in any other written materials furnished from time to time by a Fund to Adviser.

Adviser may also manage separately managed accounts for institutional investors (collectively, “**Accounts**”) independently based on a determination of each client’s financial situation, needs and investment objective and pursuant to an investment management agreement (the “**Advisory Agreement**”) with each client, which may include certain investment restrictions imposed by clients.

Adviser generally offers advice regarding investments in securities of private energy companies which are not publicly traded. Such securities will generally be illiquid and may not be easily liquidated should a need arise. In addition, privately-placed securities are generally “fair valued,” which may vary substantially from any values actually realized on the securities. Adviser generally also offers advice regarding investments in physical assets related to the energy sector, which may or may not constitute real estate or fixtures under applicable law, such as pipelines; transmission lines; mineral and mining projects; oil rigs; ports and airports; oil and gas gathering and processing systems; and active and passive energy generating facilities.

D. Wrap Fee Programs

Not applicable.

E. Assets Under Management (as of February 28, 2011)

Discretionary: \$9,113,571,303

Non-Discretionary: \$0

ITEM 5 – FEES AND COMPENSATION

Private Investment Funds

A. Types of Fees

Adviser is compensated for its advisory services to the Funds based on a percentage of assets under management and performance-based amounts.

Until the commitment period for a Fund has terminated, a Fund generally pays to Adviser annual advisory fees (“**Management Fees**”) equal to a certain percentage of the total capital commitments (regardless of whether such capital has been invested) of the investors in the applicable Fund. Following the end of the commitment period of a Fund, the Management Fee of such Fund is equal to a certain percentage of the net invested capital of the investors in the applicable Fund.

Adviser, in its discretion, may waive or reduce the Management Fee as to all or any of the investors in a Fund or agree with an investor to waive or alter the Management Fee as to that investor. The Management Fee charged by certain of the Funds may be reduced by all or a portion of any origination, transaction, break-up or similar fees received by Adviser as described in the Offering Documents of the applicable Fund.

There can be no assurance as to when capital will be invested or that the entire capital commitment of an investor will be invested by each Fund.

Adviser is also apportioned carried interest distributions from each Fund (“**Carried Interest**”) based on the net cash proceeds attributable to Fund investments. Adviser, in its discretion, may waive or reduce the Carried Interest as to all or any of the investors in a Fund or agree with an investor to waive or alter the Carried Interest as to that investor.

The Management Fee and Carried Interest for the Funds varies depending on the investment strategy of the particular Fund. Adviser’s Management Fees range from approximately 0.50% to 2.00% per annum, and Adviser’s Carried Interest ranges from approximately 10% to 20% of the profits earned by such Fund. Adviser may receive lower Management Fees and Carried Interest with respect to those Funds it sub-advises. Investors should refer to each Private Fund’s Offering Documents for additional or supplementary information regarding the Funds as well as the fees paid by each Fund.

Lower fees for comparable services may be available from other sources. The expenses of a Fund, including Adviser’s Management Fee and Carried Interest, may constitute a higher percentage of average net assets than would be found in other investment vehicles not managed by Adviser.

B. Payment Method

Depending on the Fund, the Management Fee will be paid quarterly in arrears or advance either by issuing capital calls to the investors or by paying Management Fees from investment proceeds or other cash held by each Fund. The Carried Interest for each Fund generally is paid out as a distribution of the net cash proceeds attributable to dispositions of portfolio investments of the Fund.

C. Costs and Expenses

Subject to any expense limitation set forth in the Offering Documents, each Fund bears all expenses of its organization and operation, expenses incurred in the purchase and sale of investments including transactional costs associated with the investments of the Fund and accounting fees, as determined by Adviser. Such expenses include but are not limited to: (i) legal, auditing, custodial, consulting, financing and accounting fees and expenses of the Fund; (ii) expenses associated with preparation of the Fund's financial statements, reports to Fund investors and tax returns; (iii) out-of-pocket expenses and other expenses incurred in connection with the operation of the Fund under the laws of the jurisdiction in which it is organized; (iv) out-of-pocket expenses of transactions not consummated; (v) expenses of appraisers and consultants; (vi) expenses of litigation and indemnification; (vii) insurance premiums; (viii) expenses of advisory committee meetings and meetings of the Fund investors; (ix) other expenses associated with the acquisition, holding and disposition of the Fund's portfolio investments including extraordinary expenses; (x) engineering, surveying, geological and geophysical evaluation fees in connection with evaluating loans, investments and other investments whether consummated or not (to the extent not paid by borrowers or issuers) and (xi) any taxes, fees or other governmental charges levied against the Fund.

Fund investors may also indirectly bear a portion of any fees or expenses charged by any other investment vehicles or funds in which the Fund invests or other investment managers to which Adviser allocates a portion of Fund assets. Adviser may, at its discretion, choose to pay or reimburse the Fund for all or any portion of such expenses. For additional information regarding brokerage and execution fees, see Item 12 below.

D. Refunds

Not applicable.

E. Sales Compensation

Adviser will not receive sales commissions in connection with sales of interests in a Fund.

Managed Accounts

A. Types of Fees

Fees paid to Adviser by Account clients are negotiable and vary. Fees will be set forth in Adviser's Advisory Agreement with each Account client and determined based on the size of the Account, the client's needs, the complexity of the client's investment objective and the number of portfolio restrictions.

Under Adviser's Advisory Agreement with an Account client, Adviser is compensated for its advisory services to the Account based on a percentage of assets under management and performance-based amounts. Adviser's asset-based fees range from approximately 0.50% to 2.00% per annum, and Adviser's performance-based compensation range from approximately 10% to 20% of the profits earned

by such Account. Adviser may receive lower asset-based fees and performance-based compensation with respect to those Accounts it sub-advises.

B. Payment Method

The management fee will be paid quarterly in arrears by deduction from the assets held in an Account or as invoiced from an Account's custodian, as set forth in an Account client's Advisory Agreement. If a client terminates its Advisory Agreement on a date other than the end of a calendar quarter, the management fee will be prorated for assets held in the Account for less than a full quarter.

The performance-based compensation is also paid by deducting the assets held in an Account on December 31 of each year in which performance-based compensation is earned. If a client terminates its Advisory Agreement, performance-based compensation is based on negotiated terms depending on the reason for termination, but is generally based on the ultimate performance of assets since inception of the investment.

C. Costs and Expenses

In addition to the management fee and performance-based compensation, an Account client is responsible for any fees, expenses or charges incurred by or on behalf of the Account, including certain of the fees and expenses listed above in Item 5(C).

D. Refunds

Not applicable.

E. Sales Compensation

Not applicable.

ITEM 6 – PERFORMANCE-BASED FEES AND COMPENSATION

Adviser receives performance-based compensation in the form of carried interest distributions from each Fund that it manages, and receives performance-based compensation from each Account that it manages. For a discussion of Adviser's Carried Interest and performance-based compensation received from the Accounts, please refer to Item 5(A) above. Compensation based on performance will only be charged in accordance with the provisions of Rule 205-3 under the Advisers Act.

Performance-based compensation may create an incentive for Adviser to make investments that are riskier than it would otherwise make.

In the event that some Funds and/or Accounts charge higher performance-based compensation than others, a conflict may arise. In such a situation, Adviser may have an incentive to treat some Funds and/or Accounts preferentially as compared to others because those Funds and/or Accounts pay higher performance-based compensation.

Adviser has adopted a policy to allocate portfolio transactions and investment opportunities across multiple Funds and/or Accounts on a fair and equitable basis over time. In an attempt to mitigate conflicts of interest, any investment opportunity that is suitable for more than one Fund or Account may be allocated among the Funds and/or Accounts as Adviser reasonably determines in good faith based on

various factors, including the Fund's and/or Account's investment strategy, available capital, and investment restrictions and guidelines.

ITEM 7 – TYPES OF CLIENTS

Private Investment Funds

Adviser organizes and serves as investment manager to private pooled investment vehicles. Each Fund in a group of Funds is organized in a different U.S. or foreign jurisdiction, but has the same investment objective as the other Funds in the same group.

Adviser generally requires investors in a Fund to make a minimum capital commitment to that Fund of at least \$10,000,000, although the amount of the minimum varies from fund to fund and investment thresholds may be waived. The minimum commitment requirements may be waived by Adviser in its sole discretion. Investors that are U.S. persons must be "accredited investors" under Regulation D under the Securities Act of 1933, as amended, who are eligible to enter into a performance fee arrangement under the Investment Advisers Act, and, for certain Funds, "qualified purchasers" under Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended. Adviser requires Fund investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment in a Fund.

Managed Accounts

Adviser generally imposes similar requirements on Account clients. Account requirements may be waived by Adviser in its sole discretion.

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

A. Methods of Analysis and Investment Strategies

Investment Analysis

Investments for each Fund and Account are identified and selected by Adviser. Adviser evaluates investments based on an intensive due diligence process and critical analysis of each potential portfolio company's fundamentals (e.g., financial statements, profitability, cash flow) and using the following analysis methods, as may be applicable: country risk analysis; analysis of political risks; analysis of geological, reserve engineering and consultant reports; analysis of proprietary data and analytical systems developed and maintained in-house; credit analysis based upon debt payment history, term of debt, price, equity kickers, interest rate, market interest rates, general market conditions, industry conditions and other similar factors; analysis of compliance statements; and analysis of discounted cash flows and discussions with third parties such as engineers, environmental and other consultants, attorneys and facility operators. Adviser will emphasize a comprehensive technical review of the assets underlying the investment opportunity.

To help develop its investment recommendations, Adviser conducts primary research, as may be applicable, with respect to private corporate documents, including business plans, financial records and projections, engineering or other technical data, legal documents and customer agreements, reviews, industry information and interviews with company management, key officers and employees, customers, suppliers and competitors. In certain instances, Adviser also retains outside consultants and advisers having special expertise in relevant fields. Adviser compiles the foregoing information and employs a variety of financial analysis tools and methodologies in valuing and evaluating potential investments.

Following an investment by the Fund, or by Adviser for and on behalf of an Account, Adviser will continue to monitor the progress and suitability of portfolio investments as well as market and economic outlook.

Investment in securities involves risk of loss that investors in a Fund must be prepared to bear.

Investment Strategies

Adviser's general strategy is to invest in a diversified portfolio of asset-based mezzanine and equity investments in energy and energy-related infrastructure projects and companies on a global basis. The investments will generally include loans, production payments, net profits interests, royalty interests and other forms of debt and equity securities issued by companies globally, with emphasis on operations in the United States, Canada, Western Europe and Australia. Adviser may make investments in various currencies, including U.S. Dollars, Euros, Pounds Sterling, Canadian Dollars and Australia Dollars.

Adviser generally targets negotiated private placements with energy companies and projects throughout the energy value chain including (i) upstream oil and gas; (ii) midstream oil and gas; (iii) power generation, transmissions and distribution; (iv) renewables; (v) energy infrastructure; (vi) energy-related industrial processes; and (vii) mining and similar natural resource extraction projects.

Certain Funds and/or Accounts may focus on certain types of energy companies and projects. For example, certain Funds and/or Accounts may focus on small and mid-cap energy companies and/or projects secured by hard assets such as proven oil and gas reserves, pipelines, gathering systems, processing facilities, liquefied natural gas terminals, power plants and similar energy and energy-related infrastructure opportunities. Other Funds and/or Accounts may focus on investments primarily in clean energy projects or companies. Those Funds and/or Accounts that focus on clean energy projects or companies will generally target investments in projects and related companies that use the following clean energy technologies, among others: wind, solar, hydro-electric, biomass, cogeneration, fuel switching, geothermal, combined cycle, clean coal, waste-to energy, district heating and electricity waste fuel, combined heat and power, efficiency retrofit and related projects and companies.

Adviser may also engage in hedging transactions, including transactions intended to reduce the risk of fluctuations in the price of hydrocarbons.

The investment strategy for each Fund is more particularly described in its Offering Documents. Prospective investors should carefully read the Fund's offering documents and consult with their own counsel and advisers as to all matters concerning an investment in the Fund.

B. Investment Strategy Risks

Acquiring interests in the Fund and/or opening an Account with Adviser is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular current income from their investment with Adviser and can accept a potential loss of their entire investment. Investment risks specific to the investment strategy of each Fund are described in the Offering Documents of the Fund and risks specific to any investment strategy employed by Adviser in managing an Account will be explained to the client prior to the opening of the Account. Such risks may include (but are not limited to):

- *Portfolio Concentration.* As a global energy investor, inherent to the portfolio are the risks associated with a limited diversification of a portfolio. Such concentration of risk may increase the gains or losses in the portfolio. In addition, it is possible that Adviser may select investments that are concentrated in a limited number of types of financial instruments, which could result in

disproportionate gains or losses if there are greater price movements in those financial instruments. In addition, a portfolio may hold a relatively small number of securities. Losses incurred in such securities could have a disproportionate effect on the account's overall financial condition.

- *Limited Liquidity and Restrictions on Transfer.* With the exception of TCW Energy Partners, LLC, which is traded on an OTC market, there is currently no active trading market for any of the Funds advised by Adviser and generally the interests in the Funds are subject to restrictions on transfer.
- *Competition for Portfolio Investments.* Identifying, completing and realizing attractive private equity investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that Adviser will be able to locate, consummate and exit investments that satisfy a portfolio's investment objectives or realize upon their values or be able to invest fully an account's committed capital.
- *Illiquid Investments.* Return of capital and the realization of gains, if any, from the investments of a portfolio generally will occur only upon the partial or complete disposition of an investment which may not occur for a number of years after the investment is made. It is unlikely that there will be a public market for the securities held by a portfolio at the time of their acquisition.
- *Leverage.* A portfolio may invest in portfolio companies whose capital structures may have significant leverage. The use of leverage is a speculative technique that involves special risk considerations. To the extent a portfolio company in which a portfolio invests is leveraged, its leveraged capital structure will increase the exposure of the company to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the company or its industry sector.
- *Non-Controlling Interests.* Although Adviser will seek appropriate shareholder rights to protect each account's interests, a portfolio may hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect its position in such companies.
- *Risks Associated with Non-U.S. Investments; Non-U.S. Currency and Exchange Risks.* Risks associated with non-U.S. investments, include the following: the unpredictability of international trade patterns; the possibility of governmental actions adverse to business generally or to non-U.S. investors in particular; changes in taxation, fiscal and monetary policies or imposition or modification of controls on non-U.S. currency exchange, repatriation of proceeds, or non-U.S. investment; the imposition or increase of withholding taxes on income and gains; price volatility; absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation which may result in lower quality information being available and less developed corporate laws regarding fiduciary duties and the protection of investors; governmental influence on the national and local economies; and fluctuations in currency exchange rates. In addition, collateral that is located outside of the United States may be subject to various laws enacted for the protection of creditors, depending on the country and the issuer, which laws may differ substantially from those applicable in the United States. In addition, non-U.S. investments may be denominated in currencies other than the U.S. Dollar, and hence the value of such investments will depend in part on the relative strength of the U.S. Dollar. A portfolio may be affected favorably or unfavorably by currency control regulations or changes in the exchange rate between non-U.S. currencies and the U.S. Dollar. In addition, a portfolio will incur costs in connection with conversions between various currencies. A portfolio may, but is not obligated to, engage in any currency hedging

operations. There can be no assurance as to the success of any hedging operations that a portfolio may implement. See “Hedging” below.

- *Hedging.* Some of portfolios may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of their portfolio positions as a result of changes in currency exchange rates and market interest rates. Such hedging transactions also limit the opportunity for gain. The success of hedging transactions will be subject to the ability of Adviser to correctly predict movements in and the direction of currencies and interest rates. Unanticipated changes in currency exchange rates or interest rates may negatively impact the overall performance of a portfolio. In the event of an imperfect correlation between a position in a hedging instrument and the portfolio position that it is intended to hedge, the desired protection may not be obtained and a portfolio may be exposed to additional risk of loss. It is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. Adviser may determine in its sole discretion not to hedge against certain risks, and certain risks may exist that cannot be hedged. There can be no guarantee that instruments suitable for hedging market shifts will be available at the time when a portfolio wishes to use them.
- *Emerging Market Securities.* Many of the risks with respect to foreign investments are more pronounced for investments in developing or emerging market countries, which include several countries in Asia, Latin America, Eastern Europe, Africa, and the Middle East. Many of these countries may have government exchange controls, currencies with no recognizable market value relative to the established currencies of developed market economies, little or no experience in trading in securities, no financial reporting standards, a lack of banking or securities infrastructure, and a legal tradition which does not recognize rights in private property.
- *High Yield Bonds.* Many of the debt instruments invested in the portfolios may be unrated and have limited public information. Fixed income securities that are below investment grade or unrated involve greater risks of default and are more volatile than investment grade securities. High yield bonds involve a greater risk of price declines than investment grade securities due to actual or perceived changes in an issuer’s creditworthiness. High yield bonds are subject to a greater risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity.
- *Credit Risk.* A fundamental risk associated with investments in mezzanine loans or debt and debt-related securities is credit risk. Credit risk is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. Adverse changes in the financial condition of an issuer (including those associated with the effects of changes in commodity prices) or in general economic conditions (or both) may impair the ability of such issuer to make payments and result in defaults on, and declines in, the value of investments. There can be no assurance that a portfolio company will generate sufficient cash to service its debt obligations, and, in such case, a portfolio may suffer a partial or total loss of invested capital.
- *Derivatives.* Derivatives involve the risks separate from the risks of the underlying instrument, including improper valuation and ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying instrument. Derivatives are also subject to other risks, such as the risk of an illiquid secondary market which may result in significant, rapid, and unpredictable changes in the prices for such derivatives, risks relating to the financial soundness and credit worthiness of the counterparty, and the risk of the failure of

any of the exchanges on which a portfolio's positions trade or of their clearinghouses. The use of a derivative is speculative if Adviser is primarily seeking to enhance returns, rather than offset the risk of other positions. When Adviser invests client assets in derivatives for speculative purposes, the portfolio will be fully exposed to the risks of loss of that derivative, which may sometimes be greater than the cost of the derivative.

- *Equity Securities.* By investing in stocks, Adviser may expose a portfolio to a sudden decline in the share price or to an overall decline in the stock market. The value of investments held in a portfolio will fluctuate daily and cyclically based on changes in the issuer's financial condition and prospects and on overall market and economic conditions.
- *Fixed Income Securities.* The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions of an issuer's creditworthiness. Generally, fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, with lower rated securities more volatile than higher rated securities. The duration of these securities affects risk as well, with longer term securities generally more volatile than shorter term securities. Debt securities are also subject to creditor risks, including (i) the possible invalidation of investment transactions or payment in connection with such transactions as fraudulent conveyances or preferential payments under relevant creditors' rights laws or the subordination of claims under so-called "equitable subordination" common law principles, (ii) so-called "lender liability" claims by the issuer of the obligations and (iii) environmental liabilities that may arise with respect to collateral securing the obligations.

Certain investments may have an interest only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, a portfolio company's ability to repay the principal of an investment may be dependent upon the ability to refinance or a liquidity event or the long-term success of the company, the occurrence of which is uncertain. A debt obligation that is fully bearing payment-in-kind (PIK) interest will generally have a higher risk of non-payment of interest since there will be no cash payments of interest from the borrower prior to maturity or refinancing.

C. Portfolio Investment Risks

The Fund and Account clients managed by Adviser invest primarily in companies providing products and services in the energy sector. Risks specific to this type of investment may include (but are not limited to):

- *Nature of Investments in Oil and Gas.* Certain of the portfolio companies may be subject to the risks inherent in acquiring or developing recoverable oil and natural gas reserves, including capital expenditures for the identification and acquisitions of projects, the drilling and completing of wells and the conduct of development and production operations. The presence of unanticipated pressures or irregularities in formations, miscalculations or accidents may cause such activity to be unsuccessful, which may result in losses. Furthermore, successful investment in oil and natural gas properties and other related facilities and properties requires an assessment of (i) recoverable reserves; (ii) production rates; (iii) future oil and natural gas prices; (iv) operating and capital costs; (v) potential environmental and other liabilities and (vi) other factors; such assessments are necessarily inexact and their accuracy inherently uncertain. Also, the revenues generated by certain of the companies in which a portfolio invests may be dependent on the future prices of and the demand for oil and natural gas. Various factors beyond the control of a portfolio will affect prices of oil, natural gas and natural gas liquids, including the worldwide supply of oil and natural gas, political instability or armed conflict in oil and natural gas

producing regions, the price of non-U.S. imports, the value of the U.S dollar, the level of consumer demand, the price and availability of alternative fuels, the availability of pipeline capacity and changes in existing government regulation, taxation and price control. Further, to the extent a portfolio invests in or receives royalty interests, the portfolio will generally receive revenues from those royalty interests only upon sales of oil, gas and other hydrocarbon production or upon sale of the royalty interests themselves. There can be no assurance that reserves sufficient to provide the expected royalty income will be discovered or produced.

- *Nature of Investments in the Power Industry.* Investing in power facilities and related assets is subject to a variety of risks, including operating, economic, environmental, commercial, regulatory, political and financial risks. Risks include higher than anticipated operating and maintenance costs, loss of sale and supply contracts or fuel contracts, bankruptcy of key customers or suppliers, the breakdown or failure of pipelines, transmission lines, power generation equipment or other equipment or processes and performance below expected levels of output or efficiency. Although each project typically contains certain redundancies and back-up mechanisms and insurance is maintained to protect against the effects of certain operating risks, such redundancies and back-up mechanisms may not cover every operating contingency, and the proceeds of such insurance may not be adequate to cover lost revenues or increased expenses. There is no assurance that a portfolio's investments will be profitable or generate cash flow sufficient to service their debt or provide a return on or recovery of amounts invested therein.
- *Construction Risks and Adequacy of Insurance.* The construction of any project involves many risks, including delays or shortages of construction equipment, material and labor, work stoppages, labor disputes, weather interferences, unforeseen engineering, environmental and geological problems, difficulties in obtaining requisite licenses or permits and unanticipated cost increases, any of which could give rise to delays or costs overruns. Adviser may attempt to minimize construction-related risks through fixed price or "turnkey" construction contracts with experienced and creditworthy construction contractors. The construction contracts will typically require the contractor to carry substantial insurance or have adequate resources and to pay liquidated damages in the event of failure of performance by the contractor. There can be no assurance, however, that liquidated damages or insurance payments would be sufficient to pay for any increased costs or to replace reduced revenues resulting from a completed facility that does not meet, or is late in meeting, its performance specifications.
- *Environmental Matters.* Energy companies are subject to numerous environmental laws and regulations in each country in which they operate. Some of the most onerous requirements regulate air emissions of pollutants such as sulfur dioxides, nitrogen oxides and particulate matter. The uncertain and ever changing regulatory environment in which generators operate in the United States and Europe makes it likely both that generators will face increased operating costs in the years ahead and that the relative competitive position of various fuel types and generation technologies will change. Certain possible changes in the environmental laws and regulations applicable to generators in the United States or Europe could affect the performance of one or more of a portfolio's investments to an extent that would create a material adverse affect to the portfolio. The environmental liability risks related to power generation and other power facilities or other tort liability in excess of insurance coverage may adversely affect the value of the portfolio companies in a portfolio and the overall performance of a portfolio.
- *Legal and Regulatory Matters.* Power generation and transmission, as well as oil, natural gas and coal storage, handling, processing and transportation, are extensively regulated. Failure to obtain or a delay in the receipt of relevant governmental permits or approvals, including regulatory approvals, could hinder operation of an investment and result in fines or additional costs.

Changes in the regulatory framework could have a material adverse effect upon a portfolio company and could necessitate the creation of new business models and the restructuring of investments in order to meet regulatory requirements, which may be costly and/or time-consuming.

- *Bankruptcy of Portfolio Companies.* Portfolio companies that may experience financial difficulties and become insolvent or file for bankruptcy protection. Various U.S. and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of a portfolio. There is also a risk that a court may subordinate a portfolio's investment to other creditors or require a portfolio to return amounts previously paid to it by a portfolio company that became insolvent or files for bankruptcy, a risk that could increase if the portfolio has management rights in such portfolio company.
- *Nature of Mezzanine and Other Subordinated Investments.* A portfolio may make investments in mezzanine and other subordinated debt instruments, which involve a high degree of risk with no certainty of any return of capital. Although Mezzanine debt obligations are senior to common stock and other equity securities in the capital structure, they may be subordinated to large amounts of senior debt and are often unsecured. The ability of the subordinated debt holders to influence a company's affairs, especially during periods of financial distress or following insolvency, is likely to be substantially less than that of senior creditors. For example, under the terms of subordination agreements, senior creditors are typically able to block the acceleration of the mezzanine debt or other exercises by the subordinated creditors of their rights. Accordingly, a portfolio may not be able to take steps necessary to protect its investments in a timely manner or at all.

A portfolio may make equity investments in connection with its mezzanine investments. Certain mezzanine investments may be convertible, by the terms thereof, into equity securities after a triggering event. These equity securities will generally be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss.

- *Secured Loans.* While an issuer's secured debt generally has priority over its unsecured debt, this is not always the case. For example, some secured loans may involve liens only on specified assets of an issuer. Furthermore, in the event of a filing by an issuer under chapter 11 of the U.S. Bankruptcy Code, the Bankruptcy Code authorizes the issuer to use a creditor's collateral and to obtain additional credit by grant of a priority lien on its property, senior even to liens that were first in priority prior to the filing, as long as the issuer provides "adequate protection" (as determined by the presiding bankruptcy judge) that may consist of the grant of replacement or additional liens or the making of cash payments to the affected secured creditor. The imposition of priority liens on a portfolio's collateral would adversely affect the priority of the liens and claims held by the portfolio and could adversely affect the portfolio's recovery on its secured debt investments.
- *Second-Lien Debt.* A portfolio's investments in second-lien loans will entail risks, including (i) the subordination of the liens securing the portfolio's claims to a senior lien in terms of the coverage and recovery of the collateral and (ii) the prohibition of, or limitation on, the right to foreclose on a second lien or exercise other rights as a second-lien holder (including unsecured creditors' rights). In certain cases, therefore, no recovery may be available from a defaulted second-lien loan. The level of risk associated with investments in second-lien loans increases to the extent such investments are loans of distressed or below investment grade companies.

ITEM 9 – DISCIPLINARY INFORMATION

Not applicable.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

A. Registration as a Broker-Dealer or Registered Representative

Not applicable.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser or Associated Person

Not applicable.

C. Material Relationships

1. broker-dealer, municipal securities dealer, or government securities dealer or broker

Not applicable.

2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

See Item 7 above. Certain Funds were organized with the intent that they be sub-advised by Adviser and a related person of Adviser is the general partner of certain Funds. No general partner of any such Fund intends to cause the Fund to terminate its sub-advisory relationship with Adviser absent Adviser's liquidation or bankruptcy. In addition, Fund investors generally are not permitted to withdraw from a Fund prior to its dissolution. Fund investors have no right to terminate the sub-advisory relationship with Adviser, though there are limited rights in favor of Fund investors that permit removal of the general partner of a Fund.

Adviser may from time to time enter into a side letter agreement with one or more investors in a Fund which may, among other terms, provide for (i) withdrawal rights that are more favorable than the rights granted to all other Fund investors, (ii) a reduced management fee and/or reduced performance-based compensation, or (iii) greater or more frequent transparency with respect to the Fund. Any material economic change resulting from a side letter agreement is required to be disclosed to all investors and a Fund cannot agree to side letter provisions that are adverse to other investors.

In addition, neither Adviser nor its related persons are obligated to allocate any specific amount of time or investment opportunities to a particular Fund. Adviser and its related persons intend to devote as much time as they deem necessary for the conduct of each Fund's operation and portfolio management, and will allocate investment opportunities in accordance with Adviser's trade allocation policy described in Item 6 above.

3. other investment adviser or financial planner

Certain Funds were organized with the intent that they be sub-advised by Adviser and a related person of Adviser is the investment manager of certain Funds. No investment manager of any such Fund intends to terminate its sub-advisory relationship with Adviser absent Adviser's liquidation or

bankruptcy. Fund investors have no right to terminate the sub-advisory relationship with Adviser, though there are limited rights in favor of Fund investors that permit removal of the general partner of a Fund.

4. *futures commission merchant, commodity pool operator, or commodity trading adviser*

Not applicable.

5. *banking or thrift institution*

Not applicable.

6. *accountant or accounting firm*

Not applicable.

7. *lawyer or law firm*

Not applicable.

8. *insurance company or agency*

Not applicable.

9. *pension consultant*

Not applicable.

10. *real estate broker or dealer*

Not applicable.

11. *sponsor or syndicator of limited partnerships*

A related person of Adviser is the general partner and/or managing member of certain Funds that Adviser sub-advises. See response 3 above.

D. Recommendation of Other Investment Advisers

Not applicable.

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

A. Code of Ethics

In order to address conflicts of interest, Adviser has adopted a code of ethics (the “**Code**”) which is applicable to all of Adviser’s officers, manager, members, and employees (collectively, “**Employees**”). Adviser’s Code generally sets the standard of ethical and professional business conduct that Adviser requires of its Employees, requires Employees to comply with applicable federal securities laws and regulations, and sets forth provisions regarding personal securities transactions by Employees. Additionally, the Code sets forth Adviser’s policies and procedures with respect to material, non-public

information and other confidential information, and the fiduciary obligations that Adviser and each of its Employees owes to each advisory client. The Code is circulated at least annually to all Employees, and each Employee at least annually must certify in writing that he or she has received and followed the Code and any amendments thereto. Adviser will provide a copy of the Code to any client or prospective client upon request.

B. Participation or Interest in Client Transactions

Adviser or its related persons may engage in securities transactions with certain Fund investors or Account clients or may recommend investments in portfolio companies in which Adviser or a related person has a beneficial or financial interest. Such transactions may include co-investment opportunities in portfolio companies which are offered to some but not all Fund investors, Account clients and/or Adviser's advisory personnel or Employees. Key personnel of Adviser generally will also be invested directly or indirectly in the pooled investment vehicles offered to outside investors, subject to applicable law, and the performance-based compensation and/or management fees payable by such vehicle may be separately negotiated by Adviser.

Adviser will disclose these potential conflicts of interest to investors in the Offering Documents of the Fund and the Advisory Agreement of the Account client. These materials are delivered to clients prior to their investment and such clients are given the opportunity to ask questions and seek answers regarding, among other things, potential conflicts involving Adviser, its affiliates, or the executive officers of the foregoing. Adviser has instituted procedures designed to ensure that any affiliated transactions are at arms' length. For instance, in cases of principal transactions involving a Fund and Adviser or a related person, approval by the investment advisory committee or investors, as set forth in the Fund's Offering Documents, may be required as a condition to such a transaction.

Adviser may solicit qualified Account clients to invest in a Fund or other investment vehicle sponsored or managed by Adviser (each, an "**Adviser-Related Fund**"). Because of the relationship between Adviser and any Adviser-Related Fund, Adviser could be considered to have recommended the investment as suitable for an Account client if such person should invest in the fund. Adviser will inform each Account client of its relationship with an Adviser-Related Fund prior to the client's investment, but does not intend to advise Account clients as to the appropriateness of the investment and will not receive any compensation for doing so or for selling interests in an Adviser-Related Fund (except to the extent that Adviser receives management fees and performance-based compensation from all fund investors). Adviser may, from time to time at its discretion, suggest that investors in the Fund invest in a co-investment vehicle sponsored by Adviser.

While generally not the case, Adviser may from time to time seek to adjust or rebalance client accounts by effecting cross-trades between or among client accounts (i.e., causing one or more client accounts to sell securities to one or more other client accounts). In effecting such cross-trades, Adviser seeks to reduce the transaction costs to its clients of such account adjustments. All such cross-trades will be consistent with the investment objectives and policies of each client account involved in the trades, and will be effected at the current independent market price of the securities involved in the trades. Such cross-trades will generally be effected through a broker-dealer. The client accounts involved in such cross-trades will not pay any brokerage commissions or mark-ups in connection with the trades (to the broker-dealer or Adviser), but will reimburse the applicable broker-dealer for any customary trading costs and/or transfer fees (i.e., aggregate ticket charges) that such broker-dealer incurs and that are assessed by any other broker-dealers through which such broker-dealer effects the trades.

C. Personal Trading

Adviser recognizes that there is a risk that Employees will compete with a Fund or Account client or otherwise engage in personal securities transactions at the expense of a client's interest. Adviser's Code requires that all such transactions be carried out in a way that does not endanger the interest of any client. The Code establishes certain pre-clearance procedures and an initial, annual and quarterly securities transaction reporting system that is designed to monitor transactions in Employees' personal accounts and prevent any conflicts that may arise between Employees' personal securities transactions and transactions for clients of Adviser. For purposes of the policy, an Employee's "personal account" generally includes any account (i) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (ii) for which the Employee is a trustee or executor, or (iii) which the Employee controls, including Adviser's client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.

Under Adviser's Code, all Employees are generally prohibited from trading in securities of energy companies and Key Management Personnel (R. Blair Thomas, Randall S. Wade and Kurt A. Talbot) are further prohibited from trading securities except in a non-discretionary account. Additional restrictions on personal trading of the portfolio securities of a Fund may be imposed on certain Employees at the discretion of Adviser or pursuant to a Fund's Offering Documents.

D. Concurrent Trading Activity

As Adviser deals primarily with private securities purchased directly from the issuer, Adviser will generally not be able to aggregate securities transactions for clients. However, where available and appropriate, Adviser may aggregate purchases or sales of any security effected for a client's account with purchases or sales of the same security effected on the same day for other client accounts. When transactions are aggregated, the actual prices applicable to the aggregated transaction will be averaged, and all participating accounts will be deemed to have purchased or sold its share of the security, instrument or obligation involved at such average price. Further, all transaction costs incurred in effecting the aggregated transaction will be shared on a pro rata basis among all participating accounts, except to the extent that certain broker-dealers that also furnish custody services may impose minimum transaction charges applicable to some of the participating accounts.

ITEM 12 – BROKERAGE PRACTICES

A. Selection of Broker-Dealers

Execution Quality

While Adviser primarily makes its investments directly with the issuers, there may be situations where it places trades through a broker, particularly if there has been a liquidity event. In such circumstances, Adviser will seek "best execution" in light of the circumstances involved in transactions. In selecting a broker for any transaction, Adviser may consider a number of factors, including, for example, broker's reputation, net price or spread, reputation, financial strength and stability, market access, efficiency of execution and error resolution, and the size of the transaction. Adviser will not obligate itself to obtain the lowest commission or best net price for a client on any particular transaction.

Adviser monitors transaction results as orders are executed to evaluate the quality of execution provided by the various brokers and dealers it uses, to determine that compensation rates are competitive and otherwise to evaluate the reasonableness of the compensation paid to those brokers and dealers in light of all the factors described above.

Research and Other Soft Dollar Benefits. While Adviser generally acquires securities in direct transactions with the issuers and does not intend to have any soft dollar arrangements, any decisions involving soft dollars will be made in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. That is, Adviser will generally determine, considering all appropriate factors, that commissions and fees paid are reasonable in relation to the value of all the brokerage and research products and services provided by the broker-dealer.

Brokerage for Client Referrals. Not applicable.

Directed Brokerage. Adviser's authority may be subject to conditions imposed by an Account client, examples of which may include: (i) where the Account client restricts or prohibits transactions in a certain industry, issuer or security and/or (ii) where the Account client directs that some or all account transactions be effected through specific brokers or dealers. In the latter case, the Account client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by such brokers. Adviser will assume no responsibility for obtaining the best prices or any particular commission rates for transactions with or through any such broker for the Account client's account. An Account client must recognize that it may not obtain rates as low as it might otherwise obtain if Adviser had discretion to select brokers or dealers other than those chosen by the Account client. Any Account client providing instructions to Adviser regarding direction of brokerage transactions must notify Adviser in writing if the Account client desires Adviser to cease executing transactions with or through any such broker or dealer.

B. Aggregation of Orders

See Item 11(D) above.

ITEM 13 – REVIEW OF ACCOUNTS

A. Periodic Account Review

All Funds and Accounts are generally reviewed on a quarterly basis by the investment teams, led by Kurt A. Talbot, Chief Investment Officer, Randall S. Wade, Chief Operating Officer and R. Blair Thomas, Chief Executive Officer. Account reviews focus on the review of all portfolio securities using fundamental and technical analysis and monitor operations performance, financial performance and strategic direction of each portfolio investment owned by the vehicle or account. Particular attention is given to changes in company fundamentals, industry outlook, market situation, general economic trends, and relative/absolute valuation levels.

B. Non-Periodic Account Review

Other than the periodic review of accounts described above, a review of Funds and Accounts may be triggered by any significant unexpected event, which may include market or liquidity events.

C. Client Reports

Adviser will provide hardcopies of unaudited monthly written account statements to Fund investors and Account clients, which includes summary investment information. In addition, on a quarterly basis, Adviser will provide via electronic transmission unaudited financial statements to Fund investors and the qualified custodian will provide hardcopies of unaudited account statements to each Account client. Each Fund investor will also receive via electronic transmission annual audited financial statements and, if necessary, annual tax information for completion of its individual tax returns.

Adviser, in its discretion, may provide more frequent reports and/or more detailed information to all or any of the investors in the Fund or Account clients. Hardcopies of any electronically transmitted quarterly and annual financial statements are provided upon request.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

A. Compensation by Non-Clients

From time to time, Adviser or its affiliates, members, officers or employees may receive transaction fees, origination fees, monitoring fees, advisory fees, break-up fees and other similar fees from companies in which an Account or Fund may invest. In addition, such companies may agree to reimburse Adviser for its expenses incurred in evaluating and/or consummating an investment. In certain circumstances, a negotiated portion of these amounts, net of related expenses, may be credited against the management fees payable to Adviser by the applicable Account or Fund.

B. Compensation for Client Referrals

Not applicable.

ITEM 15 – CUSTODY

Private Investment Funds

Adviser will generally not maintain physical possession of the funds or securities of any Fund. Custody of the assets of each Fund will be maintained with a qualified custodian selected by Adviser in its exclusive discretion, which selection may change from time to time without the consent of investors in the Fund. However, Adviser (i) may in certain circumstances maintain physical possession of private certificated shares, promissory notes and other certificated assets of a Fund (or held on behalf of a Fund as collateral for a loan made by a Fund) of a Fund for a short period of time before such securities are transferred to a qualified custodian and (ii) may be authorized to provide instructions to the qualified custodian for the transfer of the funds and securities of such a Fund. Under the governing agreement, Adviser may cause management fees and, if applicable, performance-based compensation to be paid out of the Fund, by the qualified custodian.

Managed Accounts

Adviser will not maintain physical possession or custody of the funds or securities that a client transferred to an Account. The assets transferred by an Account client will typically be deposited with a qualified custodian selected in accordance with Adviser's Advisory Agreement with the Account client. However, Adviser (i) may in certain circumstances maintain physical possession of private certificated shares, promissory notes and other certificated assets of such an Account (or held on behalf of such an Account as collateral for a loan made by such Account) for a short period of time before such securities are transferred to a qualified custodian and (ii) may be authorized to provide instructions to the qualified custodian for the transfer of the funds and securities of such an Account. Under the Advisory Agreement, Adviser may cause management fees and, if applicable, performance-based compensation to be paid out of the Account by the qualified custodian.

Accounts will receive monthly account statements from Adviser and quarterly statements from the qualified custodian. **Adviser urges Account clients to carefully review and compare the statements they receive from the qualified custodian with those they receive from Adviser.**

ITEM 16 – INVESTMENT DISCRETION

Subject to any investment restrictions set forth in the Offering Documents of a Fund or the Advisory Agreement of an Account client, Adviser has discretionary authority to make the following determinations without obtaining the consent of any Fund or Account client before the transactions are effected:

- the securities that are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the brokers, investment banks or placement agents through which securities are to be bought or sold; and
- the commissions, fees or other rates at which securities transactions for a Fund or Account are effected.

Adviser's discretionary authority is derived from its authority as the investment manager of each Fund or Account and its authority pursuant to an investment management agreement entered into by Adviser and the Fund or Account.

Adviser's discretionary authority with respect to an Account client may be subject to the client's ability to direct Adviser to effect brokerage business for its Account to a particular broker. See Item 12(A) above.

ITEM 17 – VOTING CLIENT SECURITIES

Generally, Adviser invests, on behalf of its clients, in private securities (although on occasion clients may hold publicly traded securities). Except to the extent that a client otherwise instructs Adviser in writing, Adviser will vote (by proxy or otherwise) in all matters for which a shareholder vote is solicited by, or with respect to, issuers of securities beneficially held by a Fund or in an Account in accordance with Adviser's proxy voting policies and procedures (the "**Policies**").

Regardless of how Adviser obtains voting authority in client securities (at time of acquisition or upon certain triggering events), Adviser endeavors to vote in such a way as to satisfy the goals and objectives of the particular client and pursuant to any written arrangements with a Fund or Account. Consistent with the requirements of Rule 206(4)-6 of the Advisers Act, before voting client securities, the Investment Teams will consider all the relevant facts and circumstances surrounding the matter to be voted upon and any documents provided in connection with such matter, and will establish that: (i) there is a clear understanding of the vote at hand, (ii) any potential conflicts of interest are identified and communicated to the client prior to voting, and (iii) disclosure is provided as to how clients may obtain information on how their securities were voted.

Upon request to Adviser, Fund investors or Account clients may obtain a copy of Adviser's Policies or information on how Adviser voted shares on behalf of the Fund or client account, as applicable.

ITEM 18 – FINANCIAL INFORMATION

Not applicable.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.