

Item 1. Cover Page



Cadent Management Services, LLC

d/b/a Cadent Energy Partners

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This brochure provides information about the qualifications and business practices of Cadent Management Services, LLC ("Cadent"). If you have any additional questions about the contents of this Brochure, please contact us at 203.638.5000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Cadent Management Services, LLC is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Cadent Management Services, LLC is available on the SEC's website at <http://www.adviserinfo.sec.gov>.

Item 2. Material Changes

This brochure (“Brochure”) has been prepared according to the requirements and rules promulgated by the United States Securities and Exchange Commission (“SEC”). There are no material changes.

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Item 4. Advisory Business

Cadent Management Services, LLC (“Cadent”) is a federally registered investment adviser that provides investment management services to pooled investment Funds, as further described below. Cadent is a Delaware limited liability company which has been in business since January, 2004. Cadent’s principal owner and managing member is Cadent Energy Partners, LLC, which is in turn principally owned by Paul G. McDermott and Bruce Rothstein.

The investment advisory services Cadent provides (the “Services”) consist of investment management services for pooled investment funds and the sponsors of such funds. An entity affiliated with Cadent typically serves as the general partner (“General Partner”) for each of the pooled investment funds for whom Cadent provides Services (each, a “Fund” and together the “Funds”). Cadent currently provides Services to two Funds and their respective General Partners, as well as providing management services to the portfolio companies in which each Fund invests. Such management services may include having employees of Cadent serve as officers and/or directors of portfolio companies and in such capacities such employees may be reimbursed for expenses and/or paid expense allowances by the portfolio companies as governed by the relevant agreement with each Fund or portfolio company, as applicable. While Cadent specializes in providing investment and management services related to portfolio investments within the energy industry, Cadent does not hold itself out as specializing in a particular type of management or advisory service. The Services are discretionary in nature and consist of the ongoing and continuous review of the portfolio companies in which Cadent invests on behalf of its Funds.

Though Cadent employs the same investment strategy for each of its Funds, Cadent tailors its Services to the specific needs of each particular Fund by complying with the terms of each Fund’s governing document and such other limitations which a Fund may request. The Funds may communicate to Cadent restrictions on investment securities, asset classes, custodians or any other restriction they would like to impose on their portfolio investments.

As of the date of this filing, Cadent Energy Partners is no longer seeking third party investment funds. The Firm is instead focusing on internal investments.

As of the date of this finding, Cadent Energy Partners is operating in a virtual environment. The principal place of business shown on the Form ADV Part 1A is the firm’s mailing address. Operations of the firm are conducted remotely from the various locations of its personnel.

As of December 31, 2019, Cadent had approximately \$500 Million in discretionary regulatory assets under management.

Item 5. Fees and Compensation

Cadent charges each of its Funds a management fee for its Services, which is calculated and payable quarterly, in advance. The fee is equal to 2% per annum of the total capital commitments of all limited partners of the relevant Fund during its investment period or until the closing of a successor pooled investment fund.

In addition, Cadent and its affiliates may perform management, advisory, transaction-related, financial advisory and other services (“Related Services”) for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, including fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions. These fees may be substantial. Fees for Related Services are determined, in part, by the investment professionals and may create a short term incentive to complete transactions. Also, fees for Related Services are not always based on an exit or sale of a Fund investment. Accordingly, Cadent may receive fees for Related Services when a Fund does not ultimately profit from the investment.

Although fees for Related Services are in addition to the management fee, Cadent will in some circumstances reduce the amount of management fee paid by the applicable Fund in connection with the receipt of such fees. The amount and manner of such reduction is set forth in the advisory agreement and/or organizational documents of the applicable Fund. As some Funds do not pay management fees, any such reduction will not benefit such Funds. Additionally, a portfolio company may reimburse Cadent for expenses (including without limitation travel expenses, which may include expenses for chartered or first class travel) incurred by Cadent in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the sharing arrangements described above.

After the investment period, the management fee is reduced to 2% per annum of the limited partner capital invested in portfolio investments and the remaining limited partner capital commitments reserved for follow-on investments by the Fund, reduced by any Other Fees received by Cadent related to such investments by the Fund. Cadent Energy Partners I, LP no longer pays a management fee.

SPI US Investor, LLC is a special purpose vehicle created to invest as a co-investor entity. It does not pay management fees.

Management fees are generally paid by or on behalf of a Fund by requiring the Limited Partners in the Fund to make a capital contribution in respect of such fees. The fees paid by the Fund are deducted from the cash accounts by the General Partner of such Fund and paid to Cadent.

Management fees may also be reduced or offset as permitted by the Funds’ governing documents.

In addition to the management fees paid by the Funds and Other Fees related to portfolio investments of the Funds, Cadent is reimbursed for certain out of pocket expenses. These expenses are described in detail in each Fund’s governing documents. Investors and prospective investors in the Funds should review governing documents for any particular investment carefully before investing.

On occasion, the Funds may hold, and therefore transact in publicly-traded securities or other securities where brokerage costs apply to the purchases or sales of securities. This may occur if a private company a Fund owns becomes public, or if a Fund invests directly in public securities. As a result of holding, buying, or selling these securities, brokerage expenses are likely to be imposed on Funds’ transactions. In the event Cadent decides to invest in securities with respect to which brokerage costs would apply, the Fund will bear any such costs or expenses. Cadent does not have any affiliated brokers or dealers.

Distributions and allocations to the Limited Partners in each Fund are typically subject to some form of carried interest or similar profit allocation for the benefit of the General Partner of such Fund, which is an affiliate of Cadent. For more information on the carried interests payable to Cadent's affiliates, please see Item 6 (Performance-Based Fees and Side-By-Side Management).

Finally, Cadent and its affiliates may also engage and retain senior advisors, consultants, operating partners and other similar professionals who are not employees or affiliates of Cadent and who will, from time to time, receive payments from, or allocations with respect to, portfolio companies. The nature of the relationship with each of the senior advisors, consultants, operating partners and/or other professionals and the amount of time devoted or required to be devoted by them varies considerably. In certain cases, they provide the Funds and/or Cadent with industry-specific insights and feedback on investment themes, assist in transaction due diligence, make introductions to and provide reference checks on management teams. In other cases, they may take on more extensive roles and serve as executives or directors on the boards of portfolio companies or contribute to the origination of new investment opportunities. In certain instances, Cadent may have formal arrangements with these senior advisors, consultants, operating partners and/or other professionals (which may or may not be terminable upon notice by any party), and in other cases the relationships may be more informal. They may be compensated (including pursuant to retainers and expense reimbursement) from Cadent, Funds and/or portfolio companies or otherwise uncompensated unless and until an engagement with a portfolio company develops. In such circumstances, such payments from, or allocations with respect to, portfolio companies and/or the Funds will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable to Cadent, be deemed paid to or received by Cadent and such amounts will not be subject to the offset provisions as described above. These senior advisors, consultants, operating partners and/or other professionals may have the right or may be offered the ability to co-invest alongside the Funds, including in those investments in which they are involved, or otherwise participate in equity plans for management of any such portfolio company. There can be no assurance that any of the senior advisors, consultants, operating partners and/or other professionals will continue to serve in such roles and/or continue their arrangements with Cadent and/or any portfolio companies throughout the term of the Funds.

Each General Partner may, in its discretion, retain on behalf of a Fund any amount (which would otherwise be distributed to the partners in accordance with the applicable Fund's governing documents) which it deems prudent as reserves to meet future Fund expenses or liabilities.

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

Limited Partners in the Funds are charged performance-based fees in the form of carried interest payable to the General Partner of the Fund. The carried interest profit allocations do not exceed 20% of aggregate profits otherwise allocable to the Limited Partners and are subject to certain preferred return hurdles for the benefit of the Limited Partner. The manner of calculation and the application of carried interest profit allocations by the Fund are disclosed in the limited partnership agreement of each Fund.

Because Cadent manages investments for Funds in which its affiliates receive performance-based carried interests, Cadent potentially has an incentive to take increased investment risk with respect to the portfolio investments it makes on behalf of the Funds. Cadent has policies and procedures in place designed to address this conflict of interest, including requiring personnel to acknowledge their fiduciary duty to clients and requiring that portfolio companies be reviewed for compliance with each Fund's governing documents.

Funds with investment programs which are similar may be managed in a similar way and may invest in the same portfolio companies. Investment opportunities which satisfy the investment parameters of more than one Fund will be allocated in accordance with Cadent's policies and procedures and in accordance with the applicable provisions of the Fund's limited partnership agreement to ensure allocation of portfolio investments on a fair and equitable basis. In some situations, certain Cadent employees may also invest in the same companies Cadent invests in on behalf of its Funds and Cadent has policies and procedures in place (as described in Item 11) to address any resulting conflicts. Cadent's policies and procedures for the allocation of investments are monitored by Cadent's Chief Compliance Officer.

The receipt of Carry presents a perceived conflict of interest and gives Cadent or its supervised persons an incentive to recommend certain investments or timing of exits to maximize either management or capital gains. This risk is generally mitigated by the investment, by certain of the owners of the relevant General Partner, of a significant portion of their individual liquid net worth pro rata with such Fund's limited partners and the Fund's receipt of a preferred return of fund profits, the amount of which includes all fund expenses (including management fees).

In addition, in allocating investment opportunities, there could be incentives to favor Funds with higher potential performance fees or Carry over Funds with lower or no potential performance fees or Carry. Cadent has instituted an allocation policy in order to mitigate those conflicts. In particular, to seek or reduce the effect of such incentives, Cadent has adopted a written investment allocation policy pursuant to which it seeks to allocate investment opportunities among Funds in a fair and equitable manner, taking into account, among other factors, the size, investment objectives, acceptable risk levels, return targets, permissible asset classes, preferred asset classes and liquidity requirements of each Fund. This policy prohibits the allocation of investment opportunities based solely on anticipated compensation or profits to Cadent or any of its affiliates or professionals, and requires the review and approval of the relevant investment committees (comprised of senior Cadent personnel) for allocations of opportunities that may be appropriate for multiple Funds. Each Fund typically has its own investment guidelines, governing agreements, and asset class focus that must be taken into account when making investment allocation determinations.

To the extent an investment opportunity may be appropriate for more than one Fund, such investment opportunities will be allocated between such Funds or managed account vehicles by the Cadent General Partners on a basis they believe in good faith to be fair and reasonable, taking into account, as applicable, the sourcing of the transaction, the nature of the investment focus of each such other vehicle, the relative amounts of capital available for investment, the terms of such Funds' governance agreement and legal, tax, regulatory, accounting and other similar considerations deemed relevant by the Cadent General Partners in good faith.

Item 7. Types of Clients

Cadent provides discretionary management and advisory services to the Funds directly, subject to the direction and control of the General Partner of each Fund, and not individually to the Limited Partners. Limited Partners in the Funds may include, but are not limited to, high net worth individuals, pension plans (corporate, state and foreign), endowments, insurance companies and pooled investment vehicles (e.g., funds-of-funds). The minimum commitment for a limited partner is outlined in the governing documents for each Fund; however Cadent maintains discretion to accept less than the minimum investment threshold.

Item 8. Method of Analysis, Investment Strategies and Risk of Loss

Cadent specializes in understanding the energy industry and Cadent's Funds primarily invest in existing or newly-formed, small to medium sized private companies which Cadent believes are positioned to achieve market share increases or capitalize on the changes in energy markets and economic cycles. Cadent identifies investment opportunities for its Funds using a top-down approach, analyzing factors such as macro industry characteristics, opportunistic industry trends, market size and growth, valuations, competition and exit opportunities.

Cadent looks for companies which meet certain criteria prior to recommending such companies for investment by its Funds. Such criteria may include, a competitive edge in their markets, attractive market capitalization, a proven management team, reasonable valuations, low debt levels and strong operating performance. Cadent looks to invest in the energy and energy-related industries and analyzes the cycles which occur in varying segments. Cadent seeks out investment opportunities which will permit Cadent to play a significant role in the management of the portfolio companies invested in by the Funds, such as securing board representation in each such portfolio company. Portfolio investments are typically held for four to seven years, permitting time to build value in the portfolio companies.

Cadent also reviews potential exit strategies for prospective investment opportunities for its Funds. Exits will generally be sales to strategic companies or other private equity funds, for cash or a highly liquid security rather than through initial public offerings.

Risks

Investing in portfolio company securities involves substantial risks, including the potential loss of a Fund's principal, which Limited Partners should be prepared to bear. While a more complete discussion of risk factors is found in the respective Fund's governing documents, following is a summary of some of the risks:

General Considerations

An investment in a Fund requires a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available. The activity of identifying, completing and realizing attractive private equity investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that a Fund will be able to locate, consummate and exit investments that

realize upon their values, or that a Fund will be able to invest fully its committed capital. Many if not all investments will be highly illiquid, and there can be no assurance that any Fund will be able to realize on such investments in a timely manner. Contemplated exit strategies for its investments can be adversely affected by numerous factors, many of which may be unforeseen or unexpected at the time the investments are made. Consequently, dispositions of Fund investments may require a lengthy time period or may result in distributions in kind to the Partners. Additionally, investments most likely will not be able to be sold except pursuant to a registration statement filed under the Securities Act or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. Certain investments may be in businesses with little or no operating history. Certain investments may be in businesses with high levels of debt or may be investments in leveraged buyouts; leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available cash flow. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. There can be no assurance that the targeted IRR will be attained.

Energy Industry Concentration

Investments will be concentrated in the energy industry, and will be subject to numerous risks that affect the energy industry as a whole or specific sectors within that industry. Because of the concentration of investments in this industry, an investment in a Fund may be subject to greater risk than an investment in a portfolio of securities representing a broader range of industries.

Nature of Energy Industry Investments

Investments in the energy sector may be subject to a variety of risks, not all of which can be foreseen or quantified. Such risks may include but are not limited to: (i) the risk that the technology employed in an energy project will not be effective or efficient; (ii) uncertainty about the availability or efficacy of energy sales agreements or fuel supply agreements that may be entered into in connection with a project; (iii) risks of equipment failures, fuel interruptions, loss of sale and supply contracts or fuel contracts, decreases or escalations in power contract or fuel contract prices, bankruptcy of key customers or suppliers, tort liability in excess of insurance coverage, inability to obtain desirable amounts of insurance at economic rates, acts of God and other catastrophes; (iv) risks that regulations affecting the energy industry will change in a manner detrimental to the industry; (v) environmental liability risks related to energy properties and projects; (vi) uncertainty about the extent, quality and availability of oil and gas reserves; (vii) the risk of changes in values of companies in the energy sector whose operations are affected by changes in prices and supplies of energy fuels (prices and supplies of energy fuels can fluctuate significantly over a short period of time due to changes in international politics, energy conservation, the success of exploration projects, the tax and other regulatory policies of various governments and the economic growth of countries that are large consumers of energy, as well as other factors); and (viii) the risk that interest rates may increase, making it difficult or impossible to obtain project financing, or impairing the cash flow of leveraged projects. The occurrence of events related to the foregoing may have a material adverse effect on the Fund and its investments.

Certain investments 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) operating and capital costs, (iii) future oil and natural gas prices, (iv) potential environmental and other liabilities and (v) other factors. Such assessments are necessarily inexact and their accuracy inherently uncertain.

Fluctuation in Oil and Gas Prices

The revenues and profitability of certain of the portfolio companies are likely to be significantly affected by the future prices of and the demand for oil and natural gas, which are inherently uncertain. Oil and gas investments may have significant short falls in projected cash flow if oil and gas prices decline from levels projected at the time the investment is made. Various factors beyond Cadent's control will affect prices of oil, natural gas and natural gas liquids, including the worldwide supply of oil and natural gas, political instability or armed conflicts in oil and natural gas producing regions, the price of foreign imports, 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 controls. Prices for oil and natural gas have fluctuated greatly during the past, and markets for oil, natural gas and natural gas liquids continue to be volatile.

Regulation of the Energy Industry

The energy industry is affected from time to time in varying degrees by political developments and a wide range of federal, state and local statutes, rules, orders and regulations. For example, oil and gas production, operations and economics are or have been affected by price controls, taxes and other laws relating to the oil and gas industry, by changes in such laws and by changes in administrative 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 engaged in the energy industry. These laws and regulations may (i) restrict the types, quantities and concentration of various substances that can be released into the environment, (ii) require reporting of the storage, use or release of certain chemicals and hazardous substances, (iii) require removal or cleanup of contamination under certain circumstances, which may require the expenditure of material amounts over a significant period of time, and (iv) impose substantial civil liabilities or criminal penalties. Moreover, there has been a trend in recent years toward stricter standards in environmental, health and safety legislation and regulation, which could impact the success of companies in which the Fund invests.

Oil and Gas Exploration and Development Risks

The Funds may invest in businesses that engage in oil and gas exploration and development, a speculative business involving a high degree of risk. Oil and gas drilling may involve unprofitable efforts, not only from dry holes, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Acquiring, developing and exploring for oil and natural gas involves many risks. These risks include encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and other accidents in completing wells and

otherwise, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, fires, spills and other environmental risks. In addition, in making such investments, the Funds must rely on estimates of oil and gas reserves. The process of estimating oil and gas reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir. As a result, such estimates are inherently imprecise.

Lack of Liquidity

There is no liquidity for Fund interests. They have not been registered under the Securities Act or any other applicable securities laws. There is no public market and none is expected to develop. In addition, transfers are not permitted except with the consent of the General Partner, which may be withheld by the General Partner in its sole discretion, and subject to the terms and conditions of the Partnership Agreement of the Fund. Consequently, Limited Partners are not likely to be able to liquidate their investments prior to the end of the Fund's term.

Risk Arising from Provision of Managerial Assistance

The Funds will use commercially reasonable efforts to structure investments so that the Fund will qualify as a venture capital operating company, or VCOC, within the meaning of regulations promulgated under ERISA. This requires that the Fund obtain rights to participate substantially in and to influence substantially the conduct of the management of the majority of the portfolio companies. The Funds typically will designate directors to serve on the boards of directors of portfolio companies. The designation of board members and other representatives and the exercise of other management rights could expose the assets of the Fund to claims by a portfolio company, its security holders or its creditors, including claims that the Fund is a controlling person and thus is liable for securities laws violations by a portfolio company. These measures also could result in claims against, or liabilities to, the Fund in the event of the bankruptcy or reorganization of a portfolio company; could result in claims against the Fund if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles; and could expose the Fund to claims that it has interfered in management to the detriment of a portfolio company. While the Manager intends to manage a Fund in a way that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

Uncertain Timing and Amounts of Distributions

No assurance can be given as to the timing or amount of any distributions. Partners will not begin to receive significant cash distributions, if at all, until the Fund makes a significant number of investments and such investments themselves result in distributions to the Fund or are sold or otherwise liquidated by the Fund. There is no assurance that a portfolio company, once the Fund has invested in it, will operate profitably and that the Fund's interest in such company will have economic value. Moreover, there is a limited market for the sale or disposition of the types of portfolio company investments in which the Fund will invest. There can be no assurance that portfolio companies will generate cash flow available for distribution to the Fund and its Partners, or that the Fund will be able to liquidate its investments on favorable terms.

Projections

Projected operating results of a company in which the Funds invest or intend to invest normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by Cadent in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and any third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in any projections will be attained, and actual results may be significantly different than projections.

Potential Conflicts of Interest

Investors should be aware that there may be occasions where Cadent and its affiliates encounter potential conflicts of interest in connection with the Fund's activities. Cadent and its affiliates may engage in activities involving the energy industry, including financial advisory activities and investment activities that are independent from, and may from time to time conflict with, that of the Fund. In the future, there may arise instances where the interests of Cadent and its affiliates conflict with the interest of the Fund and its Partners. The Principals will continue to devote such time and attention to the Fund as is required to discharge their duties relating thereto. Also, as a result of existing investments and activities, the Principals and their affiliates may from time to time acquire confidential information that they will not be able to use for the benefit of the Fund.

Indemnification

Each Fund will be required to indemnify the General Partner, the Manager and their affiliates and each of their respective members, officers, directors, employees, stockholders, shareholders or partners, for liabilities incurred in connection with the affairs of the Fund. Such liabilities may be material. For example, in their capacity as directors of portfolio companies the members, managers or affiliates of the General Partner may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of the Fund would be payable from the assets of the Fund, including the unpaid Capital Commitments of the Limited Partners.

Terrorist Attacks or Similar Hostilities May Adversely Impact the Results of Operations of Portfolio Companies

The impact that future terrorist attacks or regional hostilities (particularly in the Middle East) may have on the energy industry in general, and on our portfolio companies, in particular, is not known at this time. Uncertainty surrounding military strikes or a sustained military campaign may affect the operations of our portfolio companies in unpredictable ways, including disruptions of fuel supplies and markets, particularly oil, and the possibility that infrastructure facilities, including pipelines, production facilities, processing plants and refineries, could be direct targets of, or indirect casualties of, an act of terror or war. Moreover, our portfolio companies may be required to incur significant costs in the future to safeguard certain of their assets.

Cyber Security Breaches and Identity Theft

Cadent's and portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Cadent has implemented, and portfolio companies may implement, various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Cadent, the Funds and/or a portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Cadent's, the Funds' and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Cadent's, the Fund' and/or a portfolio company's reputation subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Cadent or the integrity of Cadent's management. There are no material legal or disciplinary events to disclose related to Cadent's business or its management.

Item 10. Other Financial Industry Activities and Affiliations

Cadent is not affiliated with any particular broker-dealer, nor does Cadent have personnel who are registered representatives of a broker-dealer. Neither Cadent nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor.

Cadent does not recommend or select other investment advisers for its Funds. It does not receive compensation from any advisers or third parties.

Cadent is wholly owned by Cadent Energy Partners, LLC. Cadent Energy Partners, LLC is under common control with the General Partner of each Fund. Cadent serves as the investment manager to each of these General Partners and Funds (collectively, "Cadent Affiliates"). As discussed in Items 6 and 11, certain employees of Cadent may engage in transactions with or alongside the other Cadent Affiliates which may give rise to conflicts of interest. Cadent has policies and procedures to address such conflicts.

Cadent has teamed with a number of experienced executives ("Operating Partners") with expertise and contacts that enhance its ability to identify industry trends, find portfolio companies, provide strategic guidance and alliances. The Operating Partners work to support portfolio company growth and may act as board representatives and/or interim management. Operating Partners may be compensated by the portfolio company and/or Cadent.

Please see Items 6 and 11 for a discussion of the potential conflicts which may arise with these Cadent Affiliates and the policies and procedures Cadent has adopted to address these conflicts.

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

Pursuant to Rule 204A-1 of the Advisers Act, Cadent has adopted a written Code of Ethics (the “Code”) predicated on the principal that the Advisor owes a fiduciary duty to the Funds and its Investors. The Code is designed to address and avoid potential conflicts of interest and is applicable to all persons with access to Cadent’s confidential information, as well as each other individual designated in writing by a compliance officer as being subject to all or a portion of the compliance procedures or policies adopted by the Advisor (collectively the “Supervised Persons”). Cadent requires its Supervised Persons to act in the Funds’ best interests, abide by all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper.

Cadent generally prohibits the purchase or sale of securities that are held by the Funds; requires pre-clearance before purchasing an IPO or a limited offering (i.e., private placement); requires periodic reporting of access persons’ personal securities transactions and all holdings; and requires prompt internal reporting of Code violations. Cadent endeavors to maintain current and accurate records of all personal securities accounts of its access persons in an effort to monitor all such activity. A copy of Cadent’s Code is available upon request.

Cadent or a company related to Cadent serves as the investment adviser and General Partner, respectively, to the Funds. Cadent, its employees, and/or the General Partner of the Funds will have an investment in the Funds. Therefore, Cadent may be considered to participate indirectly in transactions effected for those clients. The foregoing relationships, fees, and any other actual or potential conflicts of interest arising therefrom are disclosed in the respective Funds’ governing documents.

Conflicts of Interest

Funds and their investors should be aware that there will be occasions when Cadent, and their respective affiliates will encounter potential conflicts of interest in connection with a Fund’s activities, including certain conflicts of interest relating to the relationship between Cadent and Cadent Affiliates (as more fully described in Item 10 – Other Industry Activities and Affiliations). The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated by Funds and their investors.

- **Allocation of Investments.** To the extent an investment opportunity may be appropriate for more than one Fund, such investment opportunities will be allocated between such Funds and/or separate or managed account vehicle by the Cadent General Partners on a basis that they believe in good faith to be fair and reasonable, taking into account, as applicable, the sourcing of the transaction, the nature of the investment focus of each other vehicle, the relative amounts of such capital available for investment, the terms of such Funds’ governance agreement and such other vehicle and legal, tax, regulatory, accounting and other similar considerations deemed relevant by the Cadent General Partners in good faith.

- **Performance Allocation.** The existence of the Cadent General Partner's Carry in certain of the Cadent Funds creates an incentive for Cadent to propose or the Cadent General Partners to make, more speculative investment on behalf of those Funds than it would otherwise make in the absence of such performance-based compensation. In addition, if an investment is suitable for a Cadent Fund that generates a Carry and a Cadent Fund that does not, then the Cadent General Partners have an incentive to allocate such investment to the Cadent Fund that generates Carry. Cadent's policies prohibit the allocation of investment opportunities based solely on anticipated compensation or profits to Cadent or any of its affiliates or professionals, and require the review and approval of the relevant investment committees (comprising senior Cadent personnel) for allocations of opportunities that may be appropriate for multiple Funds. See "Item 6 – Performance Based Fees and Side-by-Side Management" for more information.
- **Other Fees.** Cadent may receive (i) acquisition fees for investments, (ii) fees for asset management services; and (iii) fees for advisory and/or transaction services provided to companies in which the Funds have an interest. Additionally, Cadent may receive fees relating to the Fund's investments or from unconsummated transactions (i.e., break-up and topping fees, director fees and organization, financing, divestment, and other similar fees). In certain limited circumstances, such activities will be carried out by the Senior Executives as registered representatives of Cadent and fees payable by the Fund's portfolio companies or co-investors will be paid in the first instance to Cadent. Funds and their limited partners will not receive the benefit of any fees relating to the Funds' Investments or paid by portfolio companies except to the extent they are offset by reduced management fees. For greater certainty, Cadent engages and retains strategic advisors, consultants and other similar professionals who are not employees or affiliates of Cadent and who will, from time to time, receive payments from, or allocations with respect to, portfolio companies.
- **Side Letter Agreements.** Cadent has entered into side letter agreements with certain investors that provide such investors with additional or differential rights, including but not limited to excuse rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to such investments), information rights, waiver of certain confidentiality obligations and withdrawal or transfer rights.
- **Portfolio Company Relationships.** The Funds' portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other investment funds managed by Cadent or other Cadent affiliates that, although Cadent determines to be consistent with the requirements of such Funds' governing agreements, might not have otherwise been entered into but for the affiliation with Cadent, and which may involve fees and/or servicing payments to Cadent-affiliated entities which are not subject to the management fee offset provisions. For example, Cadent may cause portfolio companies to enter into agreements regarding group procurement (such as the Group Purchasing Organization), benefits management, and other similar operational initiatives that may result in commissions or similar payments, including related to a portion of the savings achieved by the portfolio company.
- **Common Service Providers.** Cadent and Cadent affiliates may engage other common service providers. In such circumstances, there will be a conflict of interest between Cadent and Cadent

affiliates in determining whether to engage such service providers, including the possibility that Cadent will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Cadent affiliates.

- **Co-Investments.** Cadent may offer investors and other third parties the opportunity to co-invest in particular investments alongside the Funds. Co-investment opportunities offered to investors will be allocated as determined by the Cadent General Partners in their discretion, and there is no guarantee for any investor that it will be offered co-investment opportunities. As a general matter, the Cadent General Partners, in determining the allocation of co-investment opportunities, generally expect to take into account various facts and circumstances deemed relevant by the Cadent General Partners, including among others, whether a potential co-investor has expressed interest in evaluating co-investment opportunities, whether a potential co-investor has a history of participating in co-investment opportunities with Cadent, the size of the potential co-investor's interest to be held in the underlying portfolio company as a result of the applicable Fund's investment (which is likely to be based on the size of the potential investor's capital commitment and/or investment in the applicable Fund), whether the potential co-investor has demonstrated a long-term or continuing commitment to the potential success of Cadent, the applicable Fund, or other co-investment and/or other Funds, and such other factors that Cadent deems relevant under the circumstances. The terms and conditions of any co-investment opportunities will generally be negotiated by the Cadent General Partners and the potential co-investor on a case-by-case basis. The allocation of co-investment opportunities may involve a benefit to Cadent, including, without limitation, fees or carried interest from the co-investment opportunity, and capital commitments to the Funds, and such co-investment fees could create an incentive for the Cadent General Partners to pursue an investment and structure the terms of the Funds' investment differently than it otherwise would in the absence of such co-investment fees. Co-investment fees realized by Cadent and the costs that the co-investor bears, including the extent to which a co-investor would share in any broken deal costs, are negotiated by Cadent on a case-by-case basis. This may result in the Funds bearing all such broken-deal costs.
- **Overlapping Investments.** One or more Funds will invest in debt securities and other obligations relating to investments of other Funds, including portfolio companies in which such other Funds make or have an investment. Conflicts of interest will likely arise between or among the Funds in connection with such debt securities and other obligations. For example, if a Fund makes or has an equity investment in a portfolio company in which another Fund has an investment, or if one Fund, through the purchase of debt obligations or otherwise, becomes a lender to a portfolio company in which another Fund has a debt or equity investment, or if two or more Funds, participate in separate tranches of a fundraising with respect to a portfolio company, Cadent will generally have conflicting loyalties between its duties to the Funds. In that regard, actions may be taken for the benefit of a Fund that are adverse to another Fund and vice versa. In addition, subject to the terms of the applicable governing documents, which shall control, in connection with such shared investment, Cadent will generally seek to implement certain procedures to mitigate conflicts of interest which typically involve (i) a forbearance of rights, including certain non-economic rights, relating to a Fund, such as where Cadent causes a Fund to

decline to exercise certain control-and/or foreclosure-related rights with respect to a portfolio company (including following the vote of other third party lenders generally (or otherwise recusing itself with respect to decisions), and/or (ii) the applicable General Partner may cause a Fund to recuse itself from participating in any decisions related to equity or debt securities and/or other obligations held by such Fund, including in each case with respect to actions and/or decisions with respect to defaults, foreclosures, workouts, restructurings, and/or exit opportunities), subject to certain limitations. There can be no assurance that any such conflict will be resolved in favor of a Fund and Cadent may be required to take action where it will have conflicting loyalties between its duties to the Funds which may adversely impact a Fund. In addition, Cadent may structure an investment to permit another fund focused on credit investments to participate in one or more debt tranches of the capital structure of a portfolio company of a buyout fund (either together with, or separate from, participation alongside the portfolio investment made by the buyout fund). Cadent may face conflicts of interest arising from the different interests held by different Funds in the underlying portfolio company (e.g., with respect to terms of high yield securities or other debt or other instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). It is possible that in a bankruptcy proceeding one Fund's interests may be adversely affected by virtue of the involvement and actions of another Fund relating to its investment.

- **Subscription Facility and Capital Calls.** A General Partner may fund the making of investments with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of investors) prior to calling commitments. The interest expense and other costs of any such borrowings will be expenses of the applicable Fund and, accordingly, decrease net returns of such Fund. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments, preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made. In light of the foregoing, the General Partners have an incentive to cause Funds to borrow in this manner in lieu of drawing down commitments. As a general matter, use of leverage in lieu of drawing down commitment amplifies returns (either negative or positive) to limited partners.

For additional information regarding the foregoing or the risks and conflicts with respect to any Cadent fund or investment vehicle sponsored by Cadent, please see the Confidential Private Placement Memorandum, if applicable, or subscription documents of the applicable Cadent fund or investment vehicle.

Item 12. Brokerage Practices

Cadent has discretion to select brokers and dealers to execute securities transactions for its Funds. Cadent seeks to obtain the best prices and executions for orders executed for its Funds, taking into account quantitative and qualitative factors affecting execution quality of portfolio transactions. Cadent evaluates relationships with investment banks periodically and may make mandate decisions based on

the value of the relationship to Cadent's Funds, including but not limited to referrals for unique investment ideas, deep sector relationships, or other factors.

Cadent may use broker-dealers to sell a portfolio company, place financing at a portfolio company, or in limited circumstances, to support the acquisition of a portfolio company. In no event does Cadent refer Fund investors to such broker-dealers. Cadent believes that it will pay customary market fees for services received and does not otherwise make its selection in order to obtain soft dollar benefits. Cadent meets numerous broker-dealers who present investment ideas or otherwise offer to make introductions to parties that have assets that may be of interest for a Fund. If Cadent were to use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, Cadent would receive a benefit because it would not have to produce or pay for the research, products or services received from the broker-dealer. Although Cadent may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its Funds' interest in receiving most favorable execution, any decision to otherwise engage the broker dealer in support of executing a possible acquisition will first and foremost take into account the advantage of using such broker-dealer in consummating a transaction that Cadent believes to be in the best interest of the Funds at compensation levels Cadent believes to be at market rates.

Item 13. Review of Accounts

Cadent reviews the Funds' holdings on an ongoing basis, both informally and formally through meetings of Cadent's investment committee, which is comprised of a subset of Cadent's senior management and Executive Advisor(s). Cadent's investment committee works in conjunction with members of Cadent's team of investment professionals to identify potential investments, and continue to monitor such investments once approved by the investment committee. Investment models and capital markets are monitored on a continuous basis. Cadent personnel prepare written quarterly reports and members of the investment committee review such reports. The quarterly reports contain a detailed list of holdings, performance review, and general market information.

Item 14. Client Referrals and Other Compensation

Cadent does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to its Funds.

Certain employees of Cadent may receive directors' fees for serving on the boards of the portfolio companies in which Cadent's Funds have invested. These fees are typically offset against the management fees paid to Cadent by its Funds, except that such fees received by Cadent's Executive Advisors and certain other unaffiliated persons appointed by Cadent to sit as independent directors on a portfolio company board, may not be so reduced. Serving on boards of portfolio companies in which Cadent invests Fund assets (and the receipt of compensation as a board member) may give rise to conflicts to the extent that a Cadent representative serving as a director for such a company has a fiduciary duty to the company that potentially may conflict with the interests of Cadent or its Funds. Cadent addresses this potential conflict by requiring that all Cadent representatives obtain prior approval

from Cadent before accepting a position on the board of a company in which a Cadent Fund invests, and by seeking to ensure that such personnel serve consistently with the obligations applicable in each circumstance.

Cadent may also receive Other Fees in the form of consulting fees from the portfolio companies in which its Funds invest. Such fees are generally paid in connection with management consulting services provided by Cadent and its personnel. These fees are typically offset against management fees paid to Cadent by its Funds.

Item 15. Custody

Certain Cadent Affiliates have custody of certain Fund assets. An independent public accountant annually audits the Fund's financial statements. Each Fund and their Limited Partners receive annual audited financial statements from the Fund's auditor, within 120 days of the end of the Fund's fiscal year. Cash and certain other assets are custodied with a qualified custodian, in accordance with the requirements of Rule 206(4)-2 of the Advisers Act. For those Fund assets held by a qualified custodian, the qualified custodian sends statements to the relevant Fund at least quarterly in accordance with Rule 206(4)-2. Cadent also prepares and sends quarterly financial statements to the Limited Partners in each of the Funds.

Item 16. Investment Discretion

In accordance with the terms and conditions of the governing documents, and subject to the direction and control of the General Partner of each Fund, the Advisor generally has discretionary authority to determine, without obtaining specific consent from the Funds or its limited partners, the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds.

Item 17. Voting Client Securities

The Funds seek opportunities to acquire majority and minority control positions in portfolio companies. As such, Cadent actively seeks to influence the management of such portfolio companies and exercises voting rights in such companies on behalf of the Funds. Investors in the Funds cannot direct Cadent's vote with respect to any particular situation. The voting securities held by the Funds generally entail large or controlling interests of private companies. Unlike the limited voting rights attributable to publically traded securities, the Funds generally have broad voting authority on a wide range of matters affecting these private companies. Cadent and its personnel vote such interests, on behalf of the Funds, in the economic interests of the applicable Fund.

Cadent does not typically handle public security proxies. In the event that a Fund delegates authority to Cadent to vote any proxies that may arise in connection with a public security, Cadent will vote such proxies in a manner consistent with its proxy voting guidelines and Cadent's fiduciary obligations. Generally, Cadent will cast proxy votes in favor of proposals that maintain or strengthen the interests of

shareholders and management or that increase shareholder value. Cadent considers other factors as set forth in Cadent's policies and procedures. Cadent may depart from its guidelines in order to avoid voting decisions believed to be contrary to the best interests of Cadent's Funds.

Clients may discuss proxies and/or receive a copy of Cadent's voting policies and guidelines by calling Cadent at 203.638.5000.

Item 18. Financial Information

This Item requires investment advisers to provide certain financial information or disclosures about their financial condition. Cadent does not require prepayment of fees six months or more in advance. Therefore it is not required to include a balance sheet with this Brochure. Cadent has no financial hardships or other conditions that might impair its ability to meet its contractual obligations to its Funds. Cadent has not been the subject of a bankruptcy proceeding.