

**INVESTMENT ADVISER BROCHURE**

**CAI MANAGER LP**

**CAI Manager LP  
Mill Valley, CA 94941  
[www.climateadaptiveinfra.com/](http://www.climateadaptiveinfra.com/)**

**August 17, 2021**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of CAI Manager LP (the “Adviser”). If you have any questions about the contents of this Brochure, please contact us at (415) 888-8873. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

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

Additional information regarding the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## MATERIAL CHANGES

There have been no material changes since the initial filing of the Adviser's Brochure dated October 8, 2020. However, the Brochure has been amended to reflect the Adviser's regulatory assets under management as of December 31, 2020.

## ADVISORY BUSINESS

The Adviser, a Delaware limited partnership and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. The Adviser commenced operations in July 2020. The Adviser is principally owned by Bill Green (the "**Principal**"), who will serve as the Adviser's Managing Partner. Climate Adaptive Infrastructure LLC acts as the general partner to the Adviser, and is wholly owned by Mr. Green.

The Adviser's clients include the following (each, a "**Fund**," and together with any future private investment funds to which the Adviser and its affiliates provide investment advisory services, the "**Funds**").

- Climate Adaptive Infrastructure Fund I LP ("**Main Fund I**")
- Climate Adaptive Infrastructure Fund I-A LP ("**Fund I-A**" and together with the "Main Fund I", "**Fund I**")
- CAI Co-Invest Fund LP ("**Co-Invest Fund**")
- CAI Co-Invest IP Fund LP ("**Co-Invest IP Fund**")
- CAI Co-Invest IP Notes Fund LP ("**Co-Invest IP Notes Fund**", and together with Co-Invest Fund and Co-Invest IP Fund, the "**SPVs**")

The Adviser also is permitted to serve as investment adviser to an "executive fund" offered to employees, affiliates and other investors with a relationship to the Adviser or its personnel.

CAI GP LP (together with any future general partners that may be formed from time to time, each a "**General Partner**" and together with the Adviser and their affiliated entities, "**CAI**"), is affiliated with the Adviser.

Each General Partner is subject to the Advisers Act pursuant to the Adviser's registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with the Adviser.

The Funds are private equity funds that invest through negotiated transactions in infrastructure-related assets, operating entities or projects, generally referred to herein as "portfolio investments." CAI's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted.

From time to time, the senior principals or other personnel of the Adviser or its affiliates generally serve on such portfolio investments' respective boards of directors or otherwise act to influence control over management of portfolio investments of the Funds.

The advisory services to the Funds are detailed in the applicable Fund's private placement memoranda or other offering documents (each, a "**Memorandum**"), limited partnership or other operating agreements (each, a "**Partnership Agreement**" and, together with any relevant Memorandum, the "**Governing Documents**") and, as applicable, are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Funds participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; such arrangements generally do not and will not create an adviser-client relationship between the Adviser and any investor. The Funds or the General Partners generally enter into side letters or other similar agreements ("**Side Letters**") with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

Additionally, from time to time and as permitted by the Governing Documents, CAI expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, strategic investors, finders, consultants, Senior Advisors, Asset Operations Group (as defined below) members and other service providers, CAI's personnel and/or certain other persons associated with CAI and/or its affiliates (e.g., a vehicle formed by the Adviser's principals to co-invest alongside a particular Fund's transactions). Such co-investments typically involve investment and disposal of interests in the applicable portfolio investment at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio investment (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in CAI's sole discretion, CAI reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of December 31, 2020, the Adviser managed approximately \$234,615,648 of client assets on a discretionary basis.

## **FEES AND COMPENSATION**

Fees generally are paid as set forth in each Fund's Governing Documents. In general, CAI receives a management fee (the "**Management Fee**") and a carried interest in connection with advisory services provided to Fund I. CAI and/or its affiliates receive additional compensation in

connection with management and other services performed for portfolio investments of Funds. With respect to Fund I, such additional compensation will offset in whole or in part the management fees otherwise payable to CAI in accordance with the Governing Documents. In addition, CAI reserves the right to receive compensation for management and other services performed in connection with co-investments made in portfolio investments of the Funds. Investors in a Fund also bear certain expenses. A summary of the Funds' anticipated fees and expenses follows, but investors should review the applicable Fund's Governing Documents for details regarding fee structure and expenses.

## **Management Fees**

Each limited partner of Fund I that is not designated as an "affiliated partner" by the General Partner will pay an annual Management Fee equal to 1.25% or 1.75% of such limited partner's capital commitment to Fund I (the "**Commitment**"), depending on the timing of such limited partner's Commitment (the "**Management Fee Rate**"). Payments are made quarterly in advance. Commencing with the first Management Fee payment date after the expiration of Fund I's investment period or earlier upon the occurrence of certain events set forth in the applicable Partnership Agreement, the Management Fee will equal the Management Fee Rate of each limited partner's (i) aggregate capital contributions and (ii) share of amounts contractually committed in respect of investments or reserved to complete investments, less (iii) the aggregate amount of capital contributions with respect to the portion of each investment that has been disposed of or completely written-off, in each case with respect to investors not designated as "affiliated partners." Investors participating in a subsequent closing after the initial closing date generally will be assessed Management Fees retroactive to the beginning of the effective date of Fund I, with interest. Installments of the Management Fee payable for any period other than a full three-month period are adjusted on a *pro rata* basis according to the actual number of days in such period.

The Adviser does not receive a Management Fee from the SPVs.

The applicable Fund's Management Fee will be reduced, but not below zero, by an amount equal to 100% of Transaction Fees (as may be adjusted pursuant to the Partnership Agreement) attributable to investors not designated as "affiliated partners" by the General Partner, as set forth in the applicable Partnership Agreement. "**Transaction Fees**" include: (i) directors' fees, financial consulting fees or advisory fees paid to the General Partner with respect to any Fund investment; (ii) transaction fees paid to the General Partner with respect to any Fund investment; and (iii) break-up fees with respect to Fund transactions not completed that are paid to the General Partner, in each case net of certain expenses (including those described below) as set forth in the Partnership Agreement; but not including, in any event, any amount received by the General Partner, Senior Advisors (as defined below), the Asset Operations Group or other person from a portfolio investment (A) as reimbursement for expenses directly related to such portfolio investment, (B) as payment for services provided to or with respect to any portfolio investment in the ordinary course of such portfolio investment's business, (C) as compensation for services provided by the General Partner or other person as an employee of or in a similar capacity for or in respect of such portfolio investment or (D) as compensation, including fees and retainers, incentive equity or other stock awards, for services rendered by Senior Advisors or the Asset Operations Group (or a member thereof) to a portfolio investment or prospective portfolio investment.

Various costs and expenses will reduce Transaction Fees (and therefore such amounts will not reduce the Management Fee), including out-of-pocket costs and expenses (including travel expenses) incurred by the General Partner in connection with any consummated or unconsummated transaction or in connection with generating any such Transaction Fees. To the extent that any other fund or any other entity or individual co-invests alongside the Fund in any portfolio investment, any Management Fee reduction described above will be allocated among the Fund and the co-investors in proportion to the cost of the investment or potential investment in the portfolio investment held (or proposed to be held) by each. Accordingly, the Fund will, in most cases, only benefit from its allocable portion of the Management Fee reduction described above and not the portion of any fee allocable to any other investor in a portfolio investment. For the avoidance of doubt, any other fees earned with respect to any co-investment vehicle will not reduce the Management Fee payable by the Fund.

The Governing Documents generally permit the General Partner to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the Governing Documents as a deemed capital contribution by the General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the Fund. The limited partners of the Fund, other than certain limited partners with respect to which Management Fees are not charged, will be required to make additional contributions. The exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by the General Partner and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed.

### **Carried Interest**

As more fully described in the Governing Documents, Fund I's General Partner generally will receive a carried interest with respect to Fund I equal to either 15% or 17.5% (depending on the timing of a limited partner's Commitment to the Fund) of realized profits in excess of an 8% compounded preferred return and subject to a General Partner catch-up provision. The carried interest distributed to the General Partner is subject to a potential clawback at the end of the Fund's life if such General Partner has received excess cumulative distributions.

The General Partner to SPVs does not receive a carried interest in connection with the advisory services provided to those Funds.

It is expected that any future Funds will have a similar fee structure.

### **Other Information**

The General Partner is authorized, in its sole discretion, to designate certain investors as "affiliated partners" (whether or not they are actual affiliates of CAI); such "affiliated partners" may include employees, members of the Asset Operations Group (as defined below), "friends and family" of CAI or its personnel, or other investors meeting certain qualification requirements based

on commitment size or other strategic or relationship factors, that may be exempted from all or some portion of the Management Fee and/or carried interest. Any “executive fund” managed by CAI is also expected to pay no or reduced management fees and/or carried interest. In general, the Management Fee offsets described above apply only with respect to the capital commitments of fee-paying investors.

Any such exemption from fees and/or carried interest is permitted to be made by a direct exemption, a rebate by the Adviser and/or its affiliates, or through other Funds which co-invest with a Fund. For example, the General Partner and limited partners who are affiliates, employees or other designees, including persons designated as “affiliated partners” or members of the Asset Operations Group engaged or retained by CAI, generally will not be subject to the Management Fee or carried interest. Additionally, the General Partner has the right to permit investors, affiliated with CAI or otherwise, to invest through the General Partner or other vehicles that do not bear Management Fees or carried interest.

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

Principals or other current or former employees of CAI or its affiliates generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by the Adviser or its affiliates.

In addition to the any Management Fee and carried interest payable to CAI, each Fund bears certain expenses. As set forth more fully in each Fund’s Governing Documents, each Fund will pay, or reimburse the General Partner for, all other applicable fees, costs, expenses, liabilities and obligations relating to the Fund’s and/or its subsidiaries’ activities, business, portfolio investments or actual or potential investments (to the extent not borne or reimbursed by a portfolio investment or potential portfolio investment), including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the constructing, developing (including costs and expenses of capital improvement), structuring, organizing, sourcing, negotiating, designing, consummating, financing, refinancing, syndicating, diligencing (including any subscriptions to periodicals and databases), investigating (including project and site visits and/or market studies), acquiring, bidding on, owning, managing, renovating, repositioning, monitoring (including monitoring the financial condition and other relevant operating performance metrics), operating, holding (including project and site maintenance), hedging, restructuring, trading, recapitalizing, leasing, servicing, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, subsidiaries, the Fund’s portfolio investments and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, third-party diligence software and service providers, expert networks, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors or pursued with joint venture partners), whether or not any contemplated investment, transaction or project (or co-investment) is consummated, whether or not such activities are successful and whether or not such activities were undertaken prior to the

initial closing date, as well as activities with respect to origination and sourcing of investment opportunities for the Fund, including meeting with broker-dealers, investment banks and other sources of investments; attending trade shows and conferences related to the industries or strategies in which the Fund invests; and developing an investment pipeline; (ii) indebtedness of, or guarantees made by (or in respect of), the Fund or any portfolio investment, the Adviser, the General Partner or any “affiliated partner” on behalf of or in respect of the Fund (including any margin loan, credit facility, letter of credit or similar credit support), including interest with respect thereto, or evaluating, negotiating, seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker and/or finder and similar services (including buy side and sell side fees or any sourcing fees and bonuses payable to Senior Advisors (as defined below) (to the extent not borne by one or more portfolio investments)); (v) brokerage, sale, custodial, depository (including any depositories appointed pursuant to any Alternative Investment Fund Managers Directive or other regulatory or other requirement applicable to the Fund), representative or paying agents (including any Swiss representatives or paying agents appointed pursuant to the Swiss Collective Investment Schemes Act (as amended) and the implementation thereof), agent, bank or other bank, transfer, registration, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with the Fund’s third-party administrator and administration, tracking or reporting software or services, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), real estate title, survey, hedging, consulting (including consulting and retainer fees, salary and other compensation, payroll costs and benefits (including paid time off and insurance) provided to Senior Advisors or the Asset Operations Group or any of its members, consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) construction, development and/or property-related services including property management, leasing, construction management, development, environmental, engineering, planning, maintenance, social and corporate governance, marketing, business development, brokerage, sales agents and other services; (viii) reverse breakup, termination and other similar fees (including reimbursement); (ix) directors and officers liability, fidelity bond, data protection, cyber, errors and omissions liability, crime coverage, property and casualty and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses relating to any retention or deductibles; (x) filing, title, transfer, registration and other similar fees and expenses; (xi) printing, communications, marketing and publicity; (xii) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K 1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xiii) regulatory compliance (including the Adviser’s registration with the SEC (including the costs of preparing Form ADV and compliance policies and procedures (including the costs of legal counsel, compliance consultants and other service providers)) and the initial compliance contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation); (xiv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools, customer relationship management products or services (including subscription-based services and tools to



assist with identifying, investigating, conducting diligence with respect to, evaluating, structuring, consummating, holding, monitoring or disposing of potential and actual investments) for the benefit of the Fund, its portfolio investments or the limited partners; (xv) any activities (including costs and expenses of software and services) with respect to protecting the confidential or non-public nature of any information or data or related to encryption, cybersecurity, data and/or network protection and other cyber risks; (xvi) to the extent provided in the Partnership Agreement, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the Fund's advisory committee (including any reasonable, out-of-pocket costs and expenses incurred by representatives of the General Partner, the Fund's advisory committee members, permitted observers and other persons in attending or otherwise preparing for and/or participating in meetings of the Fund's advisory committee); (xvii) indemnification (including any legal or other fees, costs and expenses incurred in connection with indemnifying any partner or other person or entity pursuant to the Partnership Agreement and advancing fees, costs and expenses incurred by any such person or entity in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in the Partnership Agreement; (xviii) actual, threatened or otherwise anticipated litigation, government inquiry, investigation, proceeding, mediation, arbitration or other dispute resolution process, including the costs and expenses of discovery related thereto and any judgment, other award or settlement entered into and/or paid or payable in connection therewith; (xix) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference or meeting with any limited partner(s), any reimbursement related thereto (regardless of whether all of the individuals attending or otherwise participating in such meetings are limited partners), and limited partner gifts, in each case, to the extent incurred by the Fund, the General Partner, the Adviser or any affiliate thereof; (xx) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to (A) any alternative investment vehicle, REIT (as defined below) or its activities, business, subsidiaries or actual or potential investments (to the extent not borne or reimbursed by a portfolio investment of such alternative investment vehicle or REIT, as applicable) that would be a Fund expense or organizational expense (ignoring the cap thereof) if it were incurred in connection with the Fund, and (B) any subsidiaries related to the Fund, including any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities; (xxi) the termination, liquidation, winding up or dissolution of the Fund; (xxii) defaults by partners in the payment or timely payment of any capital contributions; (xxiii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the General Partner and related entities and any alternative investment vehicle of the Fund, including the preparation, distribution and implementation thereof; (xxiv) complying with any law, regulation or policy related to the activities of the Fund (including any third party service provider, administrator and other regulatory expenses of the General Partner, the Adviser or any of their respective affiliates or any administrators incurred in connection with the operation of the Fund (*e.g.*, compliance with privacy, data protection, know-your-customer, anti-money laundering (including any validation of any payments made in connection with any voluntary or compulsory review), sanctions or anti-terrorist laws, rules or regulations, compliance with any environmental, social or governance considerations or policies) and legal fees and expenses related thereto); (xxv) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including any discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith,

except as set forth in the Partnership Agreement; (xxvi) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a limited partner; (xxvii) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a partner pursuant to the Partnership Agreement) and any costs and expenses of or related to the “partnership representative” and the “designated individual” of the Fund; (xxviii) distributions to the Fund’s partners and other expenses associated with the acquisition, holding and disposition of the Fund’s investments, including extraordinary expenses; (xxvix) unreimbursed expenses and unpaid fees of Senior Advisors, the Asset Operations Group or its members, employees or other persons engaged by Seniors Advisors or the Asset Operations Group; (xxx) compliance or regulatory matters related to the Fund, except as set forth in the Partnership Agreement (including compliance with any agreements or arrangement related to the Fund including compliance with any Side Letter and expenses incurred in connection with the most favored nations process); (xxxi) any travel (including, where appropriate as determined by the General Partner, the cost of using private aircraft or other private air travel at a cost above the cost of first class commercial airfare, provided that the General Partner determines in its sole discretion that substantially similar first class (or equivalent) commercial air travel was unavailable or not convenient), including in connection with consummated and unconsummated investment and disposition opportunities; (xxxii) all costs and expenses associated with operating a feeder fund which invests all or substantially all of its assets in the Fund, including all expenses associated with its management, operation, winding-up, liquidating and dissolution and with preparing and distributing such feeder fund’s financial statements, tax returns and feeder fund limited partner reports, but not including any income based or similar taxes, fees or other governmental charges levied against such feeder fund; (xxxiii) any travel, car service, lodging, meals or entertainment relating to any item herein, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxiv) any organizational expenses; (xxxv) any placement fees (which will ultimately be borne by the Adviser (as an offset against the Management Fee); (xxxvi) any other fees, costs, expenses, liabilities or obligations approved by the Fund’s advisory committee; (xxxvii) costs relating to performance of services by personnel of the Adviser and/or its affiliates including accounting, legal and property-related services (including salaries, wages, bonuses, employee benefits, including paid time off and insurance, payroll costs and taxes, etc.); (xxxviii) any expenses incurred by personnel of the Adviser, Senior Advisors, the Asset Operations Group and/or portfolio investment and/or prospective portfolio investment personnel in connection with attending industry conferences and hosting or attending training programs or similar conferences or forums; (xxxix) expenses related to hiring consultants for portfolio investment personnel (*e.g.*, headhunter fees, background checks or relocation expenses); (xl) anti-money laundering and other costs of any jurisdictions in which the Fund will operate; and (xli) any other costs and expenses related to any structuring or restructuring of the Fund and/or its affiliated entities.

In certain circumstances, one Fund is expected to pay an expense common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Funds by their share of such expense, without interest. While CAI believes such circumstances to be unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain

circumstances, CAI is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio investments alongside one or more Funds, subject to CAI's related policies and the relevant Governing Documents and/or Side Letter(s). If a co-investment vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. However, in the event that a transaction in which a co-investment was to be sought ultimately is not consummated, or a potential co-investor does not invest in a planned co-investment, all obligations, liabilities, and out-of-pocket and/or break-up fees, costs, and expenses relating to such transaction will be borne by the Fund, and not by any prospective co-investors, that were to have participated in such transaction (regardless of whether any co-investor(s) had yet been identified or confirmed, or whether any co-investment vehicle had yet been formed in connection with the relevant transaction).

The Adviser and/or its affiliates generally have discretion over whether to charge Transaction fees, monitoring fees or other compensation to a portfolio investment and, if so, the rate, timing, method and/or amount of such compensation. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and the Adviser and/or its affiliates on the other hand.

### **CAI Asset Operations Group and Senior Advisors**

As further described herein and in the applicable Memorandum and/or Partnership Agreement of each Fund, CAI has created an operations group (the “**Asset Operations Group**”), comprised of persons retained or employed by the General Partner or any of its affiliates primarily to provide operational (including engineering, planning, construction, manufacturing, design, development, monitoring, maintenance, project management, construction management, asset management and servicing, property management, permitting, testing, operating, accounting, tax, reporting, finance, legal, health, safety, technology, environmental, social and corporate governance, sales, marketing, business development and/or human resources), sourcing, due diligence, acquisition integration/rationalization, realization, acquisition, board of director and/or other similar services, to the Fund, any alternative investment vehicle or any portfolio investment or prospective portfolio investment of the Fund. CAI also has created a group of industry participants to support the investment team (the “**Senior Advisors**”) comprised of persons retained or employed by the General Partner or any of its affiliates primarily to participate in sourcing investment opportunities, due diligence of investment opportunities, ongoing management and monitoring of investments and/or other similar services to the Fund, any alternative investment vehicle or any portfolio investment or prospective portfolio investment of the Fund.

Any compensation, including fees and retainers, incentive equity or other stock awards, and any reimbursement of certain travel and other costs, received by Asset Operations Group members and/or Senior Advisors will be paid by a portfolio investment or prospective portfolio investment or directly by the Fund. Any such amounts will not be included as Transaction Fees, and will not offset or otherwise reduce the Management Fee. In addition, Asset Operations Group members

will participate in the Fund through the General Partner or other vehicles and receive carried interest, but no Management Fees. Senior Advisors are not expected to receive carried interest or Management Fees.

The use of the Asset Operations Group and Senior Advisors subjects CAI to conflicts of interest, as discussed under “Conflicts of Interest,” below.

#### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under “Fees and Compensation,” the relevant General Partner receives a carried interest allocation on certain realized profits in certain Funds. CAI also expects to manage an “executive fund,” which is not charged carried interest. This could present a conflict of interest with respect to the “executive fund” because CAI has an incentive to favor accounts for which it receives the highest performance-based compensation. Additionally, to the extent the Adviser has Funds with varying carried interest terms or CAI personnel are assigned varying percentages of carried interest from the Funds, such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

CAI seeks to address the potential for conflicts of interest in these matters with allocation policies and practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by CAI or any personnel.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although CAI generally considers performance-based compensation to better align its interests with those of its investors.

#### **TYPES OF CLIENTS**

CAI provides investment advice to the Funds, which are its clients, and references throughout this Brochure to “clients” and to CAI’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the U.S. Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “**Investment Company Act**”). The investors participating in the Funds generally include individuals, banks or thrift institutions, insurance companies, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and, directly or indirectly, principals or other employees of CAI and its affiliates and members of their families, Senior Advisors, Asset Operations Group members or other service providers retained by CAI.

For legal, tax, regulatory or other reasons, CAI is authorized to form one or more alternative investment entities to make, restructure, or otherwise hold investments, including outside the

Funds. Generally, in such event, each investor that participates in an alternative investment vehicle would do so on substantially the same terms and conditions as it participates in the Funds.

The Fund generally has a minimum investment amount of \$10 million for third-party investors. Such minimum investment amount may be waived by the General Partner. Fund interests are offered and sold solely to “accredited investors,” as defined in Regulation D promulgated under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and, unless waived in the discretion of the General Partner, “qualified purchasers” as that term is defined under the Investment Company Act (or certain qualified knowledgeable CAI personnel).

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

CAI principally focuses on making control-oriented investments in attractive, low-carbon infrastructure assets in the energy, water and transport sectors. CAI focuses on core infrastructure that improves the quality of life for large, growing populations but that is selected, financed, constructed and managed using climate screens and metrics. Subject to their governing documents, the Funds are generally not limited in the type or structure of transactions they may enter into including, without limitation, management and leveraged buyouts, recapitalizations, privately negotiated control and minority investments, consolidations, spin-offs, and carve-outs or any other types of transactions.

As noted above, CAI primarily targets three sectors: (a) energy, which includes the generation of electricity from renewable sources such as hydropower, offshore wind, next-generation solar, renewable natural gas and pumped hydroelectric energy storage and battery storage, (b) water, which includes potable reuse for aquifer recharge, industrial water treatment and renewably-powered desalination and (c) transport, which includes maritime electrification, light rail, hydrogen, and autonomous vehicle charging. CAI invests primarily in the U.S. and Canada, with the ability to invest in the countries of the Organization for Economic Co-operation and Development (the “**OECD**”).

There can be no assurance that CAI will achieve the investment objectives of any Fund and a loss of investment is possible.

### **Investment and Operating Strategy**

CAI’s intention is to invest with a clear thesis leading to specific climate screens used to evaluate projects and construct climate adaptive portfolios. The CAI team has spent years developing specific CAI screens that are layered on top of traditional screens used by experienced infrastructure investors. Traditional metrics include risk-adjusted returns, project yield, engineering, procurement and construction risks and ongoing O&M costs. CAI then uses an additional set of climate-specific screens. The following summarizes CAI’s investment process.

- **Sourcing and Screening.** CAI believes that it can create the most value through off-market sourcing channels. However, CAI also believes in keeping its finger on the pulse of the market and will in some cases evaluate marketed deals. As noted above, investments must pass a set of screens to be considered. As part of its investment

process, CAI generally conducts a significant amount of diligence on its target projects or partners with a focus on, among other things, industry, geography, customers, suppliers, partners, community relations and historical issues. As a general matter, this process includes a review of the project's development or operating history as well as a detailed review (provided by third-party legal and consulting firms) of title, environmental, insurance and other liability issues that may be applicable to a specific project.

- **Asset Operations and Ongoing Management.** During the final diligence process, a member of CAI's Asset Operations Group joins the deal team to ensure that the post-acquisition day to day operational aspects of the project are correctly managed and documented. Post-acquisition or at the start of operation, CAI implements a hands-on oversight process. Once an investment is made, risk management becomes the key to a successful infrastructure investment. CAI's experience with ongoing project performance monitoring is extensive and has been informed by years of direct experience. CAI's Asset Operations Group is expected to design a custom monthly operating report for each portfolio investment, which helps the Asset Operations Group focus on understanding the most important metrics for each portfolio investment on an ongoing basis. CAI and the Asset Operations Group expect to be in regular contact with Fund portfolio investments. This practice is part of CAI's detailed, hands-on project oversight focus which helps to identify pending weaknesses and vulnerabilities so that they can be addressed quickly and effectively, improving financial performance of the asset.
- **Environmental, Social and Governance (ESG) Principles.** CAI seeks to fund low-carbon infrastructure projects that can withstand and thrive in the face of climate crisis risks, and this commitment underpins CAI's approach to responsible investing. CAI's proprietary climate screens are designed to directly and indirectly support achievement of certain sustainable development goals by targeting investment in climate adaptive infrastructure.
- **Exit Strategy.** While the Funds are expected to acquire both operating (brownfield) and construction-ready (greenfield) projects, the founding partners of CAI (the "**Founding Partners**") have extensive experience creating additional value after a project is acquired. In the case of greenfield projects, CAI believes value is created by monitoring and supporting the project's progress towards commercial operation, followed by the generation of steady and predictable revenue. And operation of brownfield projects can be made more valuable through support from the Asset Operations Group.

## Risks of Investment

Each Fund and its investors bear the risk of loss that CAI's investment strategy entails. The risks involved with CAI's investment strategy and an investment in a Fund include, but are not limited to, those described below:

*Business Risks.* A Fund's investment portfolio is expected to consist primarily of infrastructure related assets and securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

*Future and Past Performance; Absence of Operating History; Loss of Principal.* Although the Founding Partners have had extensive experience in the infrastructure market, they do not have experience managing and investing a committed pool of funds. The Funds and the General Partner are newly formed entities that have no prior operating history upon which to base an investment decision or evaluate a Fund's likely performance. Accordingly, the Funds do not have performance history for a prospective investor to consider. There can be no assurance that a Fund's investments will achieve results similar to those attained by previous investments of the Founding Partners. A prospective investor should not rely on any expectation, and there can be no assurance, that the risk/return profile of an investment in a Fund will resemble that of any prior investment made by any member of the CAI team. In addition, a Fund's investments may differ from previous investments made by members of the CAI team in a number of respects, including as to market conditions at the time of investment, targeted return levels, level of risk associated with a particular investment, amount invested in a particular investment, types of investments within a particular industry sector, amount of leverage used, structure, and holding period. A prospective investor must rely upon CAI to identify, structure, and implement investments consistent with the investment objectives and policies. Each Fund is subject to all of the business risks and uncertainties associated with any new business, including the risk that it will not achieve its investment objectives and that the value of an interest in a Fund could decline substantially or even result in a total loss. While the General Partner intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

*Investment in Junior Securities.* The securities in which a Fund will invest may be among the most junior in an issuer's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a Fund's investment once made.

*Concentration of Investments; Lack of Diversification.* The Funds will participate in a limited number of investments and intends to make most of its investments in low-carbon infrastructure assets in the energy, water and transport sectors. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry, or the timing of the Fund's investments, may substantially affect its aggregate return. In particular, a Fund's investments will be concentrated in transportation, water and energy infrastructure assets. Instability, fluctuation or an overall decline within such sectors will likely negatively impact returns to limited partners. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund is likely to invest in fewer portfolio investments and thus be less diversified. If a Fund co-invests with another investment fund or investment vehicle (including any vehicle managed by CAI), a limited partner invested in such other investment vehicle would have exposure to a single portfolio investment through more than one fund, potentially increasing such limited partner's losses.

In addition, during the early stages of a Fund's term, the Fund is expected to hold more concentrated positions than it otherwise would. Because a Fund is expected to only make a limited number of investments and such investments generally will involve a high degree of risk, poor performance by even a single investment could materially affect total returns. If certain investments perform unfavorably, then in order for a Fund to achieve attractive returns, one or more of its other investments must perform very well, and there can be no assurance that this will occur.

A Fund may provide interim financing ("**Bridge Financing**") to facilitate portfolio investments. It is possible that all or a portion of a Bridge Financing will not be recouped within the time period specified in the Partnership Agreement, in which case the investment would be treated as a permanent investment of the Fund. As a result, the Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Fund's investment limitations, certain of which exclude Bridge Financing investments.

Unspecified Investments. Limited partners will be relying on the ability of the General Partner to locate and evaluate the investments to be made by each Fund using the proceeds of this offering. The business of identifying, structuring, completing, and realizing infrastructure investments involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory, or political environment. There can be no assurance that the General Partner will be able to identify or the Fund will be able to complete portfolio investments that satisfy the Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values or that the Fund will be able fully to invest its committed capital.

Dynamic Investment Strategy. While the General Partner generally intends to seek attractive returns for a Fund primarily through making control-oriented climate adaptive infrastructure investments as described herein, the General Partner is authorized to pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner is authorized to pursue minority investments, or investments in sectors other than energy, water and transport, which pose additional risks, particularly if such investments are outside of the types of investments the Founding Partners have previously made.

Lack of Sufficient Investment Opportunities. The business of identifying, underwriting, structuring, planning, designing, constructing, developing, expanding and completing infrastructure transactions and projects is highly competitive. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include other investment funds, strategic industry acquirers and other financial investors. Over the past several years, an ever-increasing number of investment funds have been or are being formed, and many fund sponsors have increased the size of successor funds as compared to their corresponding prior funds. Other investment funds with similar investment objectives to the Funds likely will be formed in the future by other unrelated parties. Some of the Funds' competitors for investment opportunities may have more relevant experience, greater financial resources, a greater willingness to take on risk, and/or more personnel than the General Partner, CAI, the Funds and their respective affiliates.



In this highly competitive environment, sourcing and developing potential target investments may prove difficult. The General Partner expects that competition for appropriate investment opportunities may remain high and may even increase. It is possible that a Fund will never be fully invested if enough attractive investments are not identified and consummated. Regardless of the extent to which the commitments of the Limited Partners are invested, the Limited Partners will be required to bear Management Fees during applicable Fund's investment period based on the entire amount of the Limited Partners' commitments as well as other expenses as set forth in the Partnership Agreement even if the Fund fails to make any investments.

Not only is there increased competition for investment opportunities, there is also increased competition for service providers necessary to implement the Funds' investment objectives, including those providing engineering, construction and other necessary services. As a result, a Fund may experience difficulty in asset creation, asset expansion and other construction and development activities. To the extent that a Fund encounters significant competition in connection with any aspects of acquiring, constructing, operating and/or disposing of its projects, returns to Limited Partners may decrease.

*Competition Facing Portfolio Investments.* The Funds will invest in projects that construct or maintain and operate infrastructure assets in a highly competitive environment. Once infrastructure assets of portfolio investments become operational, they may face intense competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on government plans and policies. For example, the adoption of new carbon-reducing technology could reduce or eliminate the demand for one or more of the Funds' portfolio investments, thus materially and adversely affecting performance. Portfolio investments may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel. Such competition may materially and adversely affect the Fund's business, financial condition and results of operations.

*Impact of Government Regulation, Reimbursement and Reform.* Certain industry segments in which a Fund invests, including various segments of the energy, water and transportation industries, are (i) highly regulated at both the federal and state levels in the U.S. and internationally and (ii) subject to frequent regulatory change. Certain of such segments, such as "clean energy", are highly dependent upon various government (or private) reimbursement programs. While a Fund intends to invest in companies and/or projects that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the energy, water and transportation industries, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Fund invests.

*Illiquidity; Lack of Current Distributions.* Portfolio investments in infrastructure assets are generally less liquid and involve a longer holding period than traditional private equity investments since it is unlikely that there will be a public market for the investments held by a Fund at the time of their acquisition. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any,

generally will occur only upon the partial or complete disposition of an investment. While it may be possible for a portfolio investment to be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on such investment. Furthermore, the expenses of operating a Fund (including the Management Fee, as applicable) may exceed the Fund's income, thereby requiring that the difference be paid from the Fund's capital (including unfunded commitments).

A Fund's ability to dispose of investments may be limited for several reasons (some or all of which may be outside of the Fund's control), including the absence of an established market for such investments, as well as contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms upon which a disposition could be made. Any possibility of a disposition in the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which the Fund invests and an active mergers and acquisitions (or recapitalizations and reorganizations) market, among other factors. Furthermore, infrastructure investments by their nature are subject to industry cyclicalities, downturns in demand, market disruptions and the lack of available capital for potential purchasers and are therefore often difficult or time-consuming to liquidate.

*Leveraged Investments; Borrowing.* Certain Funds expect to make use of leverage by having a portfolio investment incur debt to finance a portion of the investment in such portfolio investment, including in respect of companies not rated by credit agencies. Such use of leverage generally magnifies the Fund's risk of loss from a particular investment and increases the portfolio investment's exposure to company, industry and economic conditions and changes in interest rates. The cost and availability of leverage is highly dependent on the state of the broader credit markets, and at times it may be difficult to obtain or maintain the desired degree of leverage, or obtain letters of credit necessary for equipment deposits, utility deposits or other short-term credit support during project development or construction. The use of leverage often imposes restrictive financial and operating covenants on a portfolio investment, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. In the event any portfolio investment cannot generate adequate cash flow to meet debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio investment, in turn affecting Fund returns.

Although use of a Fund credit facility (or "subscription line") enhances the General Partner's ability to close transactions quickly, such activity also increases risk and raises the possibility that the General Partner will need to call additional capital to pay off such debt. Any use of leverage by a Fund will result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. The Funds expects to periodically incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partner, the Adviser or any of their affiliates or any of its affiliates and, in connection with incurring such indebtedness, the General Partner may, in its sole discretion, cause the Fund to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when a Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. In addition, to the extent a Fund incurs leverage, provides any guaranty or enters into any letters of credit, such amounts generally secured by the capital commitments made by the Fund's limited partners and other Fund assets. The

inability of a Fund to repay any leverage secured by the capital commitments of the Fund's limited partners could enable a lender to issue a capital call on behalf of the General Partner and such limited partners' contributions may be required to be made directly to the lenders instead of the Fund.

While each Fund will ultimately bear the expense of borrowed funds, such borrowings can also increase the carried interest received by the General Partner and the Adviser by decreasing the amount of distributions from the Fund that are required to be made to limited partners in satisfaction of any preferred return. The General Partner and the Adviser therefore have a conflict of interest in deciding whether to borrow funds because the General Partner and the Adviser have the potential to receive disproportionate benefits from such borrowings.

Interest may accrue on any outstanding borrowings by a Fund or its portfolio investments at a rate lower than the preferred return, which will begin accruing when capital contributions to fund investments or pay expenses, or repay borrowings used to fund such investments or pay such expenses, are actually made to the Fund by a limited partner. For purposes of distributions by a Fund, limited partners would not receive a preferred return accrual on the amount invested by the Fund until such time as capital may be called from limited partners in respect of the investment. If an investment appreciates in value and is disposed of prior to repayment of the borrowing, the disposition proceeds would be applied to repay the borrowing (and related interest and expenses), and the net proceeds would be distributed to the limited partners without a preferred return accrual on the amount invested by the Fund or portfolio investments might support the distribution of proceeds to limited partners and increase the potential carried interest for the General Partner; however, the interest incurred due to such borrowing would reduce the carried interest received by the General Partner. Subject to the limitations in the Partnership Agreement, if any, this conflict of interest might incentivize the General Partner to permanently fund the acquisition and ongoing capital needs of investments of a Fund and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never if principal and interest on such borrowings are repaid out of disposition proceeds).

*Subscription Lines.* As indicated above, the Funds may enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments and the payment of expenses). The use of subscription lines subjects limited partners to certain additional risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if a Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against a Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, fund-level borrowing will result in incremental expenses that will be borne by limited partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility.

Because a subscription line's interest rate is based in part on the creditworthiness of a Fund's limited partners and the terms of the Partnership Agreement, it may be higher than the interest rate a limited partner could obtain individually. Conflicts of interest also have the potential to arise in that the use of such facilities may, and likely would, delay the need for limited partners to make certain contributions to the Fund, which generally would enhance the Fund's performance metrics and thereby benefit the General Partner and its affiliates. To the extent a particular limited partner's cost of capital is lower than a Fund's cost of borrowing, fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns.

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

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay fund expenses without calling capital, potentially for extended periods of time. To the extent provided in the Partnership Agreement, any such borrowing may remain outstanding for such time as the General Partner deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund expenses that decrease net returns of the Fund. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the General Partner called smaller amounts of capital incrementally over time as needed by the Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time.

*No Market for Limited Partner Interests; Restrictions on Transfer; No Right of Withdrawal.* Interests in a Fund generally cannot be transferred, sold, assigned, pledged, or otherwise encumbered without the prior written consent of the General Partner, which may be withheld pursuant to the Partnership Agreement and applicable securities laws, and the volume of transfers permitted in any calendar year may be restricted in order to comply with certain safe harbors under the tax regulations promulgated under the Internal Revenue Code of 1986, as amended. Voluntary withdrawals from a Fund will not be permitted except in very limited circumstances. In addition, interests in a Fund are not redeemable. There will be no public market for interests in the Funds, and none is expected to develop. Interests in a Fund have not been, and are not expected to be, registered under the Securities Act, the securities laws of any U.S. state or the securities laws of any other jurisdiction and therefore cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws, or unless an exemption from registration is available. It is not contemplated that the registration of interests in a Fund will ever be effected. Limited partners generally are not able to liquidate their investments

in a Fund prior to the end of the Fund's term and must be prepared to bear the risks of an investment in the Fund for an extended period of time.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for Fund investments, and hence, most of the Fund's investments will be difficult to value. Certain investments may be distributed in kind to the Fund's partners and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

*Reliance on the General Partner.* The Funds have no operating history and will be dependent on the General Partner. Control over the operation of a Fund, including decisions with respect to restructuring, negotiating, purchasing, financing and eventually divesting investments on behalf of the Fund, will be vested with the General Partner. Consequently, a Fund's future profitability and investment performance will depend largely upon the business and investment acumen of the General Partner and the Founding Partners. The loss or reduction of service of one or more of the Founding Partners could have an adverse effect on a Fund's ability to realize its investment objectives. In addition, the Founding Partners intend in the future to manage other investment funds besides the Funds and the Founding Partners are expected to devote substantial amounts of their time and attention to the investment activities of such other funds, which would pose conflicts of interest in the allocation of the time of the Founding Partners. Limited partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of a Fund will depend on the actions of the General Partner. In addition, certain changes in CAI or circumstances relating to the such entities may have an adverse effect on a Fund or one or more of its portfolio investments, including potential acceleration of debt facilities. Limited partners are reminded that the composition of the professionals making up particular investment teams have the potential to change over time and their compensation may differ with respect to different investment vehicles, creating an incentive to favor certain vehicles over others. The professionals included in such teams and who contributed to the past performance of any prior investments also may no longer be members of the particular team or serve in the same or similar roles thereon (or may no longer be employed by or otherwise perform services for CAI, or may leave such team or CAI during the life of a Fund).

Although the General Partner will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio investment's management team to operate such portfolio investment on a day-to-day basis.

*Reliance on Portfolio Investment Management; Reliance on Third-Party Professionals.* The day-to-day operations of each portfolio investment will be the responsibility of the portfolio investment's management team. Although the General Partner will be responsible for monitoring the performance of each portfolio investment and generally intends to invest in companies with strong management or find, recruit and engage strong management teams to such companies, there can be no assurance that the management team, or any successor thereto, will be able to

successfully operate the portfolio investment in accordance with a Fund's plans and objectives. Additionally, portfolio investments themselves need to attract, retain, and develop executives and members of their management teams. The market for executive talent can be, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that CAI and/or portfolio investments will be able to attract, develop, integrate, and retain suitable members of its management team and, as a result, such investment and the Funds may be adversely affected thereby.

A portfolio investment may contract the management of its business to a third-party management company unrelated to the General Partner. Although the portfolio investment would have the ability to replace any such operator, the operator's breach of the applicable agreements or the failure of such an operator to make decisions, perform its services, discharge its obligations, deal with regulatory agencies or comply with laws, rules and regulations affecting the particular business, including environmental laws and regulations, in a proper manner, or to act in ways that are in the portfolio investment's best interest could result in material adverse consequences to the portfolio investment and adversely affect the portfolio investment's financial condition or results of operations. Should a third-party manager fail to perform under any applicable agreements between it and the portfolio investment, the portfolio investment may need to find a replacement manager, which replacement manager may be subject to approval by the governmental entity that granted the concession. A portfolio investment may not be able to replace the manager, or do so on a timely basis, or if the portfolio investment is able to find a replacement manager, the replacement manager may demand terms that are unfavorable to the portfolio investment. Additionally, although certain Founding Partners have considerable experience in the assessment and structuring of infrastructure projects, it is likely that investment decisions will place considerable reliance upon a range of independent professionals' reports (e.g., forecasts of climate change and/or carbon reduction), if inaccurate, could result in additional expenses for the portfolio investment and lower than expected returns to a Fund.

*Uncertainty of Projections.* The Funds expect to use financial projections to help analyze a potential investment or future capital raises and financing for portfolio investments or other transactions. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements, and the occurrence of other unforeseen events could impair the ability of a portfolio investment to realize projected values. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections.

*Tax Information Exchange Regimes; FATCA Withholding Tax on Certain Non-U.S. Entities.* The U.S., pursuant to the Foreign Account Tax Compliance Act ("FATCA") has entered into numerous intergovernmental agreements with various jurisdictions concerning the exchange of information as a means to combat tax evasion. In addition, the OECD has been actively working towards the exchange of information on a global scale and has published a global Common Reporting Standard ("CRS") for the exchange of information pursuant to which many countries

have now signed multilateral agreements. One or more of these information exchange regimes are likely to apply to the Funds and/or one or more alternative investment vehicles, and may require the General Partner to collect and share with applicable taxing authorities information concerning limited partners (including identifying information and amounts of certain income allocable or distributable to them). A limited partner's failure to provide such information may result in withholding taxes, government imposed penalties, expulsion from the Fund and/or alternative investment vehicles or other remedies. In addition, FATCA generally imposes a withholding tax of 30% on a non-U.S. entity's share of most payments attributable to investments in the U.S. (and, potentially in the future, gross proceeds), including dividends and interest, and the Fund may be required to withhold such taxes from certain non-U.S. limited partners, unless an exception applies.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on a Fund's activities, including the ability of the Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators, and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the 2008 global financial crisis, may complicate or prevent a Fund's efforts to structure, consummate, and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, a Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

*U.S. Taxation of Carried Interest.* U.S. federal income tax legislation treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless such partnership has held the asset which generated such gain for more than three years. This could reduce the after-tax returns of the Founding Partners, employees, or other individuals associated with the Funds, the Adviser or the General Partner who were or may in the future be granted direct or indirect interests in carried interest from the Fund, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Funds. These same issues may also apply to officers, directors and employees of the Funds' portfolio investments if such persons receive a profits interest in such companies.

*Income Tax Allocations.* The General Partner (and its beneficial owners) may be subject to tax treatment in respect of its share of income arising from the Carried Interest and its capital commitment to the Fund, including tax treatment that differs materially from the taxation of similar items to certain limited partners, that could create the potential for conflicts of interest. For example, various tax rules (including the three-year holding period requirement for capital gain treatment in respect of carried interest, discussed above) could create an incentive for the General Partner to cause a Fund to borrow more frequently, in greater amounts, or for longer periods; hold investments for longer than it would absent adverse tax consequences to the General Partner from a shorter holding period; or waive or defer the distribution or allocation of carried interest to the General Partner, potentially changing the character or amount of income allocated to limited

partners. The General Partner will generally have the authority to control these decisions and any positions taken by a Fund in respect of tax elections or income allocations.

*Tax Liability Considerations.* The Funds may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by the applicable taxing authorities, a limited partner might be found to have a different tax liability for that year than that reported on its tax returns. In addition, a taxing authority audit of a Fund may result in an audit of the returns of some or all of the limited partners, which examination could result in adjustments to the tax consequences initially reported by the Fund and affect items not related to a limited partner's investment in the Fund. If such adjustments result in an increase in taxable income for any year, one or more of the limited partners may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax return will be borne by the Funds. The cost of any audit of a limited partner's tax return will be borne solely by the limited partner. The taxation of partnerships and partners is complex. Prospective investors are strongly urged to review the disclosure included in the Funds' applicable Governing Documents and to consult their own tax advisors.

*U.S. Federal Income Tax Liability Resulting from IRS Audits.* U.S. federal income taxes arising from a U.S. Internal Revenue Service ("IRS") audit will be paid by each Fund absent an election to the contrary. In addition, a "partnership representative" will have the power to act on behalf of a Fund and its partners in all IRS audits and other proceedings involving the Fund's U.S. federal income, loss, deductions, and credits.

*Changes in U.S. Tax Law.* All statements contained herein concerning the U.S. federal income tax (or other tax) consequences of an investment in a Fund are based on existing law and interpretations thereof. Future U.S. tax legislation and administrative guidance could materially affect the tax consequences of a limited partner's investment in a Fund and the tax treatment of the Fund's investments. While some of these changes may be beneficial, others could negatively affect the after-tax returns of a Fund and the limited partners. Accordingly, no assurance can be given that the currently anticipated tax treatment of an investment in a Fund, or of investments made by a Fund, will not be modified by legislative, judicial, or administrative changes, possibly with retroactive effect, to the detriment of the limited partners. In March 2020, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, which made a number of changes to U.S. federal income tax law, some of which may require adjustments to prior year tax liabilities.

*United Kingdom Exit from the EU.* On March 29, 2017, the UK formally notified the European Council of its intention to leave the EU ("**Brexit**"). After a number of iterations, the European Commission and the UK's negotiators reached agreement on the terms of the UKs withdrawal from the EU, and these terms were approved by the UK and EU Parliaments. The UK formally left the EU on January 31, 2020 at 11.00 pm after which the UK entered the transition period specified in the withdrawal agreement, which is scheduled to end on December 31, 2020. During this period, the majority of the existing EU rules continue to apply in the UK.

The terms of the UK's exit from the EU are still uncertain, including the UK's access to the EU single market permitting the exchange of goods and services between the UK and the EU.



The UK expects to agree to a deal on a future relationship with the EU by the end of the transitional period, but whether this is possible is subject to disagreement by leaders of certain EU Member States.

The future application of EU-based legislation to the private fund industry in the UK will depend, among other things, on how the UK renegotiates its relationship with the EU. There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on the Fund and its investments, including the ability of the Fund to achieve its investment objectives.

The legal, political and economic uncertainty generally resulting from the UK's exit from the EU may adversely affect both EU and UK-based businesses. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio investment, a Fund may decide to provide additional funds to such portfolio investment or may have the opportunity to increase its investment in such portfolio investment (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Fund will make any follow-on investments or that a Fund will have sufficient funds to make all or any of such investments or that CAI will be able to predict accurately how much capital may need to be reserved by a Fund for participation in follow-on investments. Any decision by a Fund to not make follow-on investments or its inability to make such investments may (i) have a substantial negative impact on a portfolio investment in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made), (ii) diminish the Fund's ability to influence such portfolio investment's future development and/or (iii) if there are any co-investors with the Fund in such portfolio investment, result in substantial dilution of the Fund's interests in a portfolio investment. Alternatively, if the portfolio investment nonetheless seeks additional capital, a Fund's failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio investment or the dilution of the Fund's ownership in a portfolio investment if a third party invests in such portfolio investment. In the event that any co-investor who participated in the initial investment in a portfolio investment does not participate in a follow-on investment in such portfolio investment, such co-investor's pro rata portion of such follow-on investment may be allocated to the Fund instead. As a result, a Fund may increase its concentration with respect to such portfolio investment, which may result in the Fund being less diversified.

*Non-U.S. Investments.* The Funds generally makes investments in portfolio investments that are organized or headquartered or have substantial sales, users, customers or operations outside of the U.S. and its territories and possessions. Portfolio investments in non-U.S. securities or instruments involve certain considerations not typically associated with investing in U.S. securities and instruments, including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Fund's non-U.S. investments may be denominated (including risks associated with potentially rapid inflation), and costs associated with conversion of investment principal and income from one currency into another; (ii) exposure to fluctuations in interest rates payable with respect to the instruments in which a Fund invests; (iii) differences in conventions relating to

documentation, settlement, corporate actions, stakeholder rights and other matters; (iv) differences between the U.S. and non-U.S. securities markets (including potential price volatility in, and relative illiquidity of, certain non-U.S. securities markets); (v) the absence of uniform accounting, auditing, and financial reporting standards, practices and disclosure requirements, and less or more government supervision and regulation; (vi) certain economic, social and political risks (including potential exchange control regulations, restrictions on non-U.S. investment and repatriation of capital, and the risks of political, economic, governmental or social instability (including the risk of sovereign defaults, regulatory change, and the possibility of expropriation or confiscatory taxation)); (vii) the possible imposition of non-U.S. taxes (including withholding taxes) on income, gains and gross sales or other proceeds recognized with respect to non U.S. securities or instruments (including the imposition of such taxes as a result of the formation by the General Partner of an alternative investment vehicle outside of the U.S.); (viii) the application of complex U.S. and non-U.S. tax rules to cross-border investments; (ix) possible non-U.S. tax return filing requirements for a Fund and/or certain of the Fund's partners (including as a result of the formation by the General Partner of an alternative investment vehicle outside of the U.S.); (x) differing and potentially less well-developed or well-tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (xi) differences in the legal and regulatory environment (including enhanced legal and regulatory compliance); (xii) political hostility to investments by foreign or private fund investors; and (xiii) less publicly available information. Non-U.S. investments likely will also be subject to non-U.S. currency risks, as described in "Non-U.S. Currency Risks" below.

Additionally, a Fund may have greater difficulty enforcing its legal rights in a non-U.S. jurisdiction. The Funds may be subject to additional risks, which include possible adverse political and economic developments, possible seizure or nationalization of foreign deposits and possible adoption of governmental restrictions which might adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. Furthermore, certain of the Funds' investments may be subject to brokerage taxes levied by non-U.S. governments, the effect of which would be to increase the cost of such an investment and reduce the realized gain (or increase the realized loss) on such an investment at the time of its disposition. While the General Partner intends, where it deems appropriate, to manage each Fund in a manner that will minimize exposure to the foregoing risks and to take these factors into consideration in making investment decisions for the Fund, there can be no assurance that adverse developments with respect to such risks will not adversely affect the assets of the Funds that are held in certain non-U.S. jurisdictions.

*Non-U.S. Currency Risks.* Although many of the Funds' investments are expected to be U.S. dollar denominated, a Fund's investments that are denominated in non-U.S. currencies are subject to the risk that the value of the particular currency in which such investment is denominated will change in relation to the U.S. dollar, the currency in which the books of the Fund are kept and contributions and distributions generally will be made. Among the factors that may affect currency values are trade balances between nations, the level of short-term interest rates, differences in relative value of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. The Funds and/or their portfolio investments may incur costs in converting investment proceeds from one currency to another. The General Partner may, but it is under no obligation to, employ hedging techniques to manage currency exchange exposure, although there can be no assurance that such strategies will be effective.

Non-U.S. prospective investors should note that interests in a Fund are denominated in U.S. dollars. Prospective investors subscribing for interests in a Fund in any country in which U.S. dollars are not the local currency should note that changes in value of foreign exchange between the U.S. and such currency may have an adverse effect on the value, price, or income of the investment to such prospective investors. There may be foreign exchange regulations applicable to investments in foreign currencies in certain jurisdictions. The fees, costs, and expenses incurred by limited partners in converting their local currency to U.S. dollars (if applicable) in order to make capital contributions will be borne solely by such limited partners and will be in addition to the amounts required by such capital contributions (and are not part of such limited partners' commitments).

*Hedging Arrangements; Related Regulations.* The General Partner may (but is not obligated to) endeavor to manage the Funds' or any portfolio investment's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Funds may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled.

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

*Significant Adverse Consequences for Default.* The Partnership Agreement provides for significant adverse consequences in the event a limited partner defaults on its commitment or any other payment obligation. In addition to losing its right to potential distributions from a Fund, a defaulting limited partner may be forced to transfer its interest in the Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest. Whether and how to exercise the General Partner's remedies against a defaulting limited partner will be in the discretion of the General Partner, and the General Partner may require the non-defaulting limited partners to contribute capital to make up for the shortfall created by such defaulting limited partner.

*Dilution from Subsequent Closings.* Limited partners admitted or that increase their respective commitments to a Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing limited partners in such

investments. Although any such new limited partner will be required to contribute its pro rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Fund's existing investments at the time of such contributions. The General Partner may also adjust the amount to be contributed at later closings in a manner it believes to be equitable to account for previous changes in underlying portfolio investment valuation. There can be no assurance such valuation will be accurate.

*Recycling; Reinvestment.* Subject to certain limitations set forth in the Partnership Agreement, the General Partner generally will have the right to reinvest or recall certain capital returned or distributed by a Fund to the Fund's partners, including to make additional investments. Accordingly, during the life of a Fund, a Fund partner may be required to make capital contributions in excess of its commitment (with certain limitations), and to the extent such recalled or retained amounts are invested, a Fund partner will be subject to the risks associated with such investments.

*General Partner's Carried Interest.* The fact that the General Partner's carried interest is based on a percentage of net profits creates an incentive for the General Partner to cause applicable Funds to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case.

*Transfer by General Partner.* To the extent the General Partner, its partners, the Founding Partners and/or their respective affiliates commit to make a direct or indirect investment in or along-side a Fund, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Partnership Agreement.

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

*Non-Controlling Investments.* The Funds reserve the right to hold meaningful minority stakes in privately held portfolio investments and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, a Fund at times may hold minority equity stakes of any size such as might occur if portfolio investments are disposed of over time or are taken public. In such instances, the Fund is expected to have limited management and/or control rights with respect to the operation of such portfolio investments and may be entirely

dependent on the decisions of the portfolio investment and/or third-party investors. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such portfolio investment or were otherwise granted control and/or management rights alongside any such portfolio investment and/or third party investor. Even if a Fund has contractual rights to seek liquidity of the Fund's minority interests in such portfolio investments, it may be very difficult to sell such interests or seek a sale of such portfolio investment upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such portfolio investment have different business and investment objectives and goals.

*Director Liability.* Certain Funds will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the portfolio investments (each, a "**Board Representative**"). In those instances where a Fund is not the sole equity owner of a portfolio investment, a Board Representative may have duties to persons other than the Fund. Such positions may subject CAI, CAI personnel and the Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director or officer related claims. Not all portfolio investments may obtain insurance with respect to such liability, and the insurance that portfolio investments do obtain may be insufficient to adequately protect against such liability. In general, Fund I will indemnify CAI, its affiliates and CAI's personnel and other persons acting on CAI's behalf in connection with the investment from such claims. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from Fund I's investment activities. Co-investors and/or co-investment vehicles may indirectly benefit from CAI's appointment of such directors, although co-investors (including their respective co-investment vehicle, even if managed by CAI) will not typically bear the cost of liability insurance related to such appointment to the extent additional liability insurance is purchased by Fund I.

*Standard of Care; Indemnification.* The Partnership Agreement contains provisions that, subject to applicable law, reduce, modify and/or eliminate duties that the General Partner and its affiliates would otherwise owe to the Funds and the limited partners. In addition, pursuant to the Partnership Agreement, the General Partner, the Founding Partners, CAI and certain of their respective employees, officers, partners, members, shareholders, managers, directors and affiliates will be indemnified and held harmless from losses sustained from any act or omission in connection with the respective Fund's activities, subject to certain exceptions set forth in the Partnership Agreement, and may receive advances for any fees, costs and expenses incurred in the defense or settlement of any claim that may be subject to a right of indemnification. The application of the foregoing standards is likely to result in limited partners having a more limited right of action in certain cases than they would have in the absence of such standards. As a result, a Fund may bear significant financial losses even where such losses were caused by the negligence of the General Partner and certain of its affiliates. Such losses may have an adverse effect on the Fund's returns to the limited partners. Any fees, costs, expenses (whether or not advanced) and other liabilities resulting from a Fund's indemnification obligations generally will be paid by or otherwise satisfied out of the assets of the Fund (including the aggregate unfunded commitments). In addition, if the assets of a Fund are insufficient to satisfy the Fund's indemnification obligations,

the General Partner may recall distributions previously made to the limited partners, subject to certain limitations set forth in the Partnership Agreement.

**Litigation.** In the ordinary course of its business, the Funds, the General Partner and their respective affiliates may be subject to litigation from time to time. In addition, litigation and other proceedings may be filed by or against portfolio investments, including penalties or other civil or criminal sanctions, or remedies or damage awards, and adverse results in any litigation and other proceedings may materially harm the Fund's investments. Litigation and other proceedings may include, but are not limited to, actions relating to breach of fiduciary duty, appraisal, intellectual property, international trade, commercial arrangements, product liability, environmental, health and safety, joint venture agreements, anti-corruption, anti-money laundering, labor and employment or other harms resulting from the actions of individuals or entities outside of CAI's control. Under the Partnership Agreement, a Fund will generally be responsible for indemnifying the Founding Partners and the General Partner and certain of its employees, officers, and affiliates for costs they may incur with respect to such litigation not covered by insurance. The outcome of such proceedings may materially adversely affect the value of a Fund and may continue without resolution for long periods of time. Additional regulation could also increase the risks of third-party litigation. Any litigation may consume substantial amounts of the General Partner's and the Founding Partners' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

**LP Advisory Committee.** The General Partner will appoint one or more limited partner representatives to a limited partner advisory committee for applicable Funds (the "**LP Advisory Committee**"), which has the ability to review and waive compliance with certain provisions of the Partnership Agreement, including resolving potential conflicts of interest situations, and whose approval is required or may be requested in certain circumstances under the Partnership Agreement, including certain approvals or consents required by U.S. federal securities laws. Pursuant to the terms of the Partnership Agreement, all limited partners are bound by the determinations of the LP Advisory Committee, regardless of whether a limited partner is represented by a member of the LP Advisory Committee. The Partnership Agreement will provide that to the fullest extent permitted by applicable law, none of the LP Advisory Committee members shall owe any fiduciary duties to the Fund or any other limited partner. Members of the LP Advisory Committee may have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the LP Advisory Committee for consideration or review. Members of the LP Advisory Committee may have various business and other relationships with CAI and its members, partners, managers, directors, officers, employees, and affiliates. These relationships may influence their decisions as members of the LP Advisory Committee. To the extent that a limited partner is not represented by a member of the LP Advisory Committee, such limited partner will have no influence over matters submitted to the LP Advisory Committee for review or approval.

**Diverse Investor Group; Conflicting Interests.** The limited partners may have conflicting investment, tax, and other interests with respect to their investments in a Fund and with respect to the interests of investors in other investment vehicles managed or advised by CAI that may participate in the same investments as the Fund. The conflicting interests of individual limited partners with respect to other limited partners and relative to investors in other investment vehicles would generally relate to or arise from, among other things, the nature of portfolio investments

made by a Fund and such other investment vehicles, the structuring or the acquisition of portfolio investments, and the timing of disposition of portfolio investments. As a consequence, conflicts of interest have the potential to arise in connection with decisions made by the General Partner or CAI, including with respect to the nature or structuring of portfolio investments, which may be more beneficial for one or more (but not all) limited partners than for another limited partner, especially with respect to limited partners' individual tax situations. In addition, a Fund may make portfolio investments that may have a negative impact on related investments made by the limited partners in separate transactions. In selecting and structuring investments appropriate for a Fund, the General Partner and CAI will consider the investment and tax objectives of the Fund and its partners as a whole (and those of investors in other investment vehicles managed or advised by CAI that participate in the same portfolio investments as the Fund), not the investment, tax, or other objectives of any limited partner individually. Additionally, the General Partner may elect to exclude certain limited partners from particular investments for legal, tax, regulatory, policy, or other similar reasons applicable to any such investment, in which case non-excluded limited partners will be allocated a greater proportionate interest in such investment. It is also possible that a Fund or the portfolio investments will be counterparties (such counterparties dealt with on market terms) or participants in agreements, transactions, or other arrangements with a limited partner or an affiliate of a limited partner. Such transactions may include agreements to pay performance fees to operating partners in connection with the portfolio investment therein, which will reduce the Fund's returns and will not necessarily be subordinated to the return of the limited partner's capital contributions. Such limited partners described in the previous sentences may therefore have different information about CAI and the Fund than limited partners not similarly positioned. In addition, conflicts of interest may arise in dealing with any such limited partners, and the General Partner and its affiliates may not be motivated to act solely in accordance with its interest relating to a Fund. Similarly, not all limited partners monitor their investments in vehicles such as the Fund in the same manner. For example, certain limited partners may periodically request from the General Partner information regarding a Fund and/or portfolio investments that is not otherwise set forth in (or has yet to be set forth) in the reporting and other information required to be delivered to all limited partners. In such circumstances, the General Partner may provide such information to such limited partner, but just because it has provided such information upon request by one or more limited partners does not mean the General Partner will be obligated to affirmatively provide such information to all limited partners (although the General Partner will generally provide the same information upon request and treat limited partners equally in that regard). As a result, certain limited partners may have more information about a Fund than other limited partners, and the General Partner will have no duty to ensure all limited partners seek, obtain, or process the same information regarding the Fund and/or portfolio investments.

*Separate Agreements with Limited Partners.* A Fund and the General Partner may enter into written agreements or Side Letters with certain limited partners, including CAI personnel and their investment vehicles. These Side Letters provide limited partners with customized terms, which results in preferential treatment or could economically incentivize CAI to provide preferential treatment, with respect to, among others: (i) different economic terms, including reduced Management Fees, modified waterfall mechanics and/or reduced carried interest; (ii) the ability to opt-out of certain types of investments (including with respect to investments in certain geographies and/or industries); (iii) the right to receive certain additional information, certifications, reporting and/or notifications from the Fund, the General Partner, the Adviser or any of its affiliates and/or the manner in which information and/or notice shall be provided; (iv)

the right to transfer Fund interests and to cause such transferee to be admitted to the Fund as a substitute limited partner; (v) the offering of, and/or participation in, co-investment opportunities; (vi) the right to withdraw from a Fund in the event of adverse tax or regulatory events or violations of law or policies or in the event the investor's commitment in the Fund would exceed a certain percentage of the Fund's aggregate commitments; (vii) additional confidentiality protections; (viii) the right to disclose certain information to underlying investors, the public, regulators or certain other persons; (ix) structuring rights with respect to certain types of investments; (x) modification of default remedies; (xi) investment pacing restrictions; (xii) limits on indemnification; (xiii) rights relating to the appointment of a representative to serve as a member and/or observer of the LP Advisory Committee, (xiv) rights with respect to legal, regulatory or policy requirements applicable to any such limited partner or its affiliates, or (xv) certain other terms whether economic, procedural or otherwise. Except where required by the Governing Documents, other investors will not receive copies of Side Letters or related provisions.

*Delayed Tax Information.* A Fund likely will not be able to provide final annual tax filing information to limited partners for any given fiscal year until after the initial tax filing deadlines for limited partner tax returns. Final annual tax information may not be available until the Fund has received necessary tax-reporting information from its portfolio investments necessary to prepare final annual tax information. Accordingly, limited partners may be required to obtain extensions of the filing dates for their income tax returns. Each prospective investor should consult with its own advisor as to the advisability and tax consequences of an investment in a Fund.

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

*General Economic and Market Conditions.* The state of the infrastructure industry, generally, and the success of a Fund's investment activities, specifically, will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and U.S. and global political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the General Partner. General fluctuations in the market prices of securities and economic conditions generally have the potential to reduce the availability of attractive investment opportunities for a Fund and affect a Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) also increases the risks



inherent in a Fund's investments and could have a negative impact on the performance and/or valuation of the Fund's portfolio investments. A Fund's performance can be affected by deterioration in the capital markets and by market events, including events similar to the credit crisis in the summer of 2007, the downgrading of the credit rating of the U.S. in 2011 and/or the ongoing COVID-19 pandemic, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio investments and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of portfolio investments and the Fund's performance. Volatility and illiquidity in the financial sector is likely to have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio investments. Such adverse effects may include the requirement of the Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective. Any of the foregoing events could result in substantial or total losses to a Fund in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in a portfolio investment's capital structure and may be magnified by the expected limited geographic diversity of the Fund's investments.

*Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments.* The ability of a Fund and the portfolio investments to effectively execute their respective strategies will be dependent on the health of the U.S. and global credit markets. In the event that, as a result of an economic downturn or otherwise, credit markets deteriorate and it becomes more difficult for investment funds (including the Funds) to obtain favorable financing for investments, a Fund's ability to consummate investments may be adversely affected, one effect of which may be a slower-than-anticipated rate of capital deployment by the Fund. A persistent credit market deterioration may result in limited availability of credit to consumers, homeowners and/or businesses, which may lead to an overall weakening of the U.S. economy and/or global economies. In such a situation, portfolio investment performance may decline and/or the value of portfolio investments may be diminished. As a result, a Fund's ability to realize its investments at favorable times and/or for favorable prices may be negatively impacted, one effect of which may be longer-than-anticipated holding periods for investments. Accordingly, a deterioration in credit markets may negatively affect a Fund's ability to achieve its investment objectives and/or generate attractive returns for limited partners.

*Significant Developments Stemming From the U.S. Presidential Administration.* The Trump administration has indicated it does not support certain existing international trade and climate-related agreements and/or commitments. The administration has implemented the replacement of the North American Free Trade Agreement ("NAFTA") with the United States-Mexico-Canada Agreement (the "USMCA"), the withdrawal of the U.S. from certain proposed trade agreements, like the Trans-Pacific Partnership, and has supported greater restrictions on trade generally and implemented significant increases on tariffs on goods imported into the U.S., particularly from China. Additionally, the administration has announced the withdrawal of the U.S. from the Paris Accord. At this time, it remains unclear what further actions may be taken with respect to trade and climate-related agreements and/or commitments, individual companies or countries, including impacts that may occur due to a failure to participate in international climate

accords or the scope of additional tariffs on imports into the U.S. may be increased. CAI also cannot predict how other countries will respond to the administration's actions, for example, whether legislation or regulations that would have adverse impacts on a Fund or its investments may be passed in other jurisdictions in response or related to any measures that may be imposed by the administration, including imposition of tariffs on U.S. goods imported into such jurisdictions, increased inspections on U.S. companies, delays on approvals for mergers, investments, licensing agreements, joint ventures, and acquisitions involving U.S. companies, preferential treatment to non-U.S. companies, media campaigns against U.S. companies and/or goods, and delays on license approvals in such jurisdictions. If the administration takes additional action to withdraw from or materially modify international agreements, or to implement greater restrictions on free trade and significant increases on tariffs or duties, the business, financial condition and results of operation of certain of the Funds' portfolio investments, and the performance of a Fund's investments in general, could be adversely affected.

In addition to announcing the withdrawal of the U.S. from the Paris Accord, the administration also is pursuing a number of climate-related deregulatory initiatives. While such actions have been and may continue to be subject to judicial and/or congressional scrutiny and even if implemented, may be replaced by legislative and regulatory actions at the state or local level, such actions have the potential to negatively impact the business operations and performance of a Fund's investments, including those that would benefit from various Federal tax credits.

Moreover, changes in U.S. social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the territories and countries where a Fund may invest, and any negative sentiments towards the U.S. as a result of such changes, could adversely affect the performance of the Fund's investments. In addition, negative sentiments towards the U.S. among non-U.S. customers and among non-U.S. employees or prospective employees could adversely affect sales or hiring and retention, respectively, in portfolio investments.

The outcome of any future U.S. state, local and/or federal election and changes in the control of the U.S. state, local and/or federal legislative and executive branches during a Fund's term could result in potential changes in laws, regulations and policies affecting the infrastructure, energy and/or private fund industry. The likelihood of occurrence and the effect of any such change is highly uncertain and could have an adverse impact on a Fund and the Fund's investments.

*Force Majeure Events.* Certain force majeure events (meaning those events beyond the control of the party claiming that the event has occurred, including acts of God, fire, earthquakes, war, terrorism and labor strikes) may adversely affect the ability of CAI, its affiliates, the Funds, the portfolio investments, counterparties of the foregoing or other persons or entities to perform their respective obligations. The cost of repairing or replacing assets damaged by a force majeure event could be considerable. In addition, repeated or prolonged service interruptions resulting from a force majeure event may cause a permanent loss of customers, substantial litigation or significant penalties for regulatory or contractual non-compliance, though in some cases, agreements may be terminable if a force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. The occurrence of a force majeure event may, directly or indirectly, have a material adverse effect on a Fund and/or any of the portfolio investments.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and the current outbreak of COVID-19, have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to a Fund.

Currently, there is an ongoing outbreak of a novel and highly contagious form of coronavirus, which the World Health Organization formally declared in March 2020 to constitute a global pandemic. This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in all financial markets and commodity markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels in the U.S. and several other countries, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail and entertainment.

The ultimate impact of COVID-19 — and the resulting precipitous decline in economic and commercial activity across nearly all of the world’s largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The extent of COVID-19’s impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained and economies are able to “re-open”, it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to a Fund. The extent of the impact on a Fund’s and its portfolio investments’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact has the potential to include significant reductions in revenue and growth, unexpected operational losses and

liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy a Fund pursues, all of which could adversely affect the Fund's ability to fulfill its investment objectives. They may also impair the ability of portfolio investments or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of a Fund, its portfolio investments, the General Partner and the Adviser may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

*Material Non-Public Information.* As a result of the operations of CAI and its affiliates, CAI, its affiliates and CAI personnel may come into possession of confidential or material, non-public information ("MNPI") including as a result of certain CAI personnel serving on the boards of directors of portfolio investments. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or CAI's internal policies. Each of CAI, the Funds and the General Partner anticipates that, to minimize the impact of such restrictions, the Funds may elect not to receive MNPI in certain situations in which such an election is available.

*Fees and Expenses.* Each Fund will pay and bear all expenses related to its operations, including Management Fees and the costs of holding, monitoring, maintaining, and disposing of portfolio investments as set forth in the Partnership Agreement, whether or not the Fund makes any profits. While it is difficult to predict the future expenses of a Fund, such expenses are expected to be substantial and may surpass the Fund's operating income. The amount of these expenses will reduce the actual returns realized by limited partners on their investment in a Fund (and will, in certain circumstances, reduce the amount of capital available to be deployed by the Fund for investments). Fund expenses include recurring and regular items, as well as extraordinary expenses (such as litigation or environmental clean-up) for which it may be hard to budget or forecast. In addition, Fund expenses include fees, costs and expenses related to in-house services provided by the General Partner, the Adviser or its affiliates to the Fund and/or its portfolio investments, including legal and property-related services (including salaries, wages, bonuses, employee benefits, including paid time off and insurance, payroll costs and taxes, etc.). Any such in-house services will be provided to the Funds on such terms determined by the General Partner and the Adviser in their sole discretion, and related compensation and expense reimbursement will not reduce the Management Fee. This gives rise to potential conflicts of interest. For example, the General Partner and the Adviser have an incentive to utilize their employees, members and partners to provide services to portfolio investments in order to reduce their overhead. While the General Partner and the Founding Partners believe services rendered by their employees and affiliates offer potential synergies or benefits to the Funds and/or its portfolio investments, there

can be no assurance that no other service provider is more qualified to provide such services, could provide greater benefits to the Funds and/or its portfolio investments or could provide such services at a lesser cost. Similarly, there can be no assurance there will be any cost savings. The Adviser will allocate fees and expenses in a manner it believes in good faith to be fair and equitable, but in its sole discretion. The allocation may not be proportional as certain funds managed by the Adviser have different expense reimbursement terms, including with respect to management fee offsets, and the Adviser may have a financial incentive to favor allocations that may benefit itself. As a result, the amount of the Fund expenses ultimately called or called at any one time may exceed expectations. In addition, certain Funds are expected to bear fees and expenses related to regulatory compliance (including the Adviser's registration with the U.S. Securities and Exchange Commission (including the costs of preparing the Form ADV and compliance policies and procedures (including the costs of legal counsel, compliance consultants and other service providers)) and the initial compliance contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation). Such costs are expected to be substantial, and in the case of the Adviser's registration with the U.S. Securities and Exchange Commission, the Adviser will retain the benefits of such registration with respect to future investment funds that it manages that will not bear any of the related expenses.

*Unfunded Pension Liabilities of portfolio investments.* A recent court decision found that, in certain circumstances, a fund could be treated as a "trade or business" for purposes of determining pension liability under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Therefore, where an investment fund owns 80% or more (or possibly, under certain circumstances less than 80%) of a portfolio investment, such fund (and any other 80%-owned portfolio investments of such fund) might be found liable for certain pension liabilities of such a portfolio investment to the extent the portfolio investment is unable to satisfy such liabilities. The Funds may, from time to time, invest in a portfolio investment that has unfunded pension fund liabilities, including structuring the investment in a manner where a Fund may own an 80% or greater interest in such a portfolio investment. If a Fund (or other 80%-owned portfolio investments of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statute, and regulations regarding control group liability under ERISA as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develop.

*Valuation of Assets.* There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair market value, the General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partner may give rise to potential conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of Management Fees. In most cases, given the relative unique nature of infrastructure in a given sector in a given location, their specific financial and legal structuring, there will rarely be market comparables appropriate to challenge any valuation of a Fund asset.

Strategic Investors; Investments in Joint Ventures. The Funds are expected to jointly invest in transactions with one or more strategic investors or other co-parties (which may consist of third parties or limited partners), including through joint ventures or other entities. Such investments will involve risks not present in direct investments, including, for example, the outcomes of collaborative decision-making varying (adversely) from those which the General Partner or the Adviser would have independently reached on behalf of a Fund, and the possibility that such co-party might become bankrupt, or might have interests, objectives, rights or remedies that are different from or may conflict with those of a Fund or may be in a position to take action contrary to the investment objectives of a Fund. In addition, the Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. Such investments may also involve risks not present in investments in which a Fund invests alone or offers traditional co-investment opportunities that are managed by CAI. Furthermore, if any such co-party becomes bankrupt or defaults on its funding obligations, it may be difficult for the Fund to make up the shortfall. A Fund may be required to make additional contributions to replace such shortfall, reducing the diversification of the Fund's investments. A Fund may also be liable for the conduct of its co-venture parties. In addition, in negotiating an investment through joint ventures or other similar arrangements, a Fund may have to agree to less favorable terms (e.g., bearing a disproportionate share of expenses) than might be present in direct investments or traditional co-investment arrangements.

Platform Investments. From time to time, a Fund may establish or invest in platform companies or similar platform investments that seek to acquire interests in other companies and/or assets. While a Fund would typically be involved in the strategy and oversight of any platform investment, a platform investment typically would retain its own management team to operate, administer and manage the platform on a daily basis. In such cases, the Fund generally will directly or indirectly bear the expenses related to developing and operating the platform investment, including overhead expenses (such as real estate, technology, salaries, bonuses and incentive-based compensation (e.g., equity, a profits interest, options and warrants)), investment sourcing and diligence expenses, transaction fees and other related expenses. Such expenses will not offset the Management Fee paid by a Fund.

Such platform investments create potential conflicts of interest. For example, management teams sometimes provide services that are similar to, and that may overlap with, services provided by the Adviser and its personnel to the Funds, and certain CAI professionals are expected to serve on the boards of, or otherwise provide services to, platform investments. Because CAI (and not the Funds) pays all or part of the salaries of its employees, CAI has an incentive to cause a platform investment to retain its own management team instead of relying on CAI employees to provide managerial services, or to deploy existing CAI employees as members of such platform investment's management team. In addition, CAI generally will have the ability to influence significantly the form and amount of compensation paid to such management teams. Members of platform investment management teams also may render services exclusively to the platform or provide the same or similar services to other Funds and/or portfolio investments.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, the Funds and the General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio investment, the condition of its assets and the extent of

its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by a Fund and, ultimately, the limited partners. In such a situation, limited partners may be required to return distributions received by them to pay such indemnification obligations, subject to certain limitations provided in the Partnership Agreement.

*Adequacy and Availability of Insurance; Catastrophic Events.* The Funds may seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance. However, it may not always be practicable or feasible for portfolio investments to have prudent insurance and other risk management products. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds, as may be derived in a timely manner from covered risks, may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation. Certain losses of a catastrophic nature such as those caused by wars, earthquakes, hurricanes, tornadoes, floods, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact the portfolio investment's and/or a Fund's profitability. In general, losses related to terrorism are becoming harder and more expensive to insure against, and most insurers are excluding terrorism coverage from their all-risk policies. As a result, it is unlikely that any of the Funds' investments will be insured against damages attributable to acts of terrorism (or certain other losses of a catastrophic nature). If a major uninsured loss were to occur with respect to an investment, a Fund could lose both its capital invested in, and anticipated profits related to, such investment.

The Funds may seek to obtain representation and warranty insurance in connection with certain transactions in an effort to insure against losses from breaches of representations or warranties in the agreements related to such transaction. In particular, the General Partner expects to use such insurance in lieu of conducting more comprehensive due diligence when a Fund participates in a competitive bid process. Representation and warranty insurance could result in a Fund bearing, directly or indirectly, additional costs and expenses and may not be a complete substitute for direct recovery against the counterparty to such transaction. Additionally, the market for representation and warranty insurance continues to evolve, and insurers may not be able to adequately cover losses, particularly following an event that broadly affects the industry.

*Cybersecurity Breaches and Identity Theft.* CAI's, the General Partner's, the Funds' and its portfolio investments' 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. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, CAI, the General Partner, the Funds and/or a portfolio investment likely will 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 CAI's, the General Partner's, the Funds' and/or a portfolio investment'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 CAI's, the General Partner's, the Funds' and/or a portfolio investment's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to circumvent network security electronically or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. Cyber-attacks often also take the form of socially-engineered frauds, such as "phishing." Third parties often also attempt to fraudulently induce employees, customers, third-party service providers or other users of CAI's systems to disclose sensitive information in order to gain access to CAI's data or that of the Funds' investors or portfolio investments. Companies have also been subject to "ransomware" attacks. The foregoing risks are equally applicable to service providers of CAI, the General Partner, the Funds and their portfolio investments.

To the extent that any of CAI, the General Partner, the Funds, a portfolio investment or their respective service providers is subject to cyber-attack or other unauthorized access is gained to such entity's information technology system, CAI, the General Partner, the Funds and/or such portfolio investment may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio investment financial information; (iii) portfolio investment software, contact lists or other databases; (iv) portfolio investment proprietary information or trade secrets; (v) cash; or (vi) other items. Similarly, such a security breach could disrupt or halt such entities' operations for an indefinite period of time. In certain events, CAI's, the General Partner's, the Funds' and/or a portfolio investment's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Such cybersecurity and disaster recovery incidents could also result in reputational harm to CAI, the General Partner, the Funds and/or any affected portfolio investment. Any of such circumstances could subject CAI, the General Partner, the Funds or their portfolio investments to substantial losses.

*National Security Investment Clearance.* In some cases, investments by a Fund involving the acquisition of or investment in a U.S. business (including a U.S. subsidiary of a company domiciled outside of the U.S.) may be subject to review and approval by the Committee on Foreign Investment in the U.S. ("CFIUS"). In the event that CFIUS reviews one or more investments, there can be no assurances that a Fund will be able to maintain or proceed with such investments on acceptable terms. Additionally, CFIUS may seek to impose limitations on one or more such investments that may prevent a Fund from maintaining or pursuing investment opportunities that the Fund otherwise would have maintained or pursued, or syndicating interests to foreign persons, which could adversely affect the performance of the Fund's investment in such portfolio investments and thus the performance of the Fund. New regulations to implement Foreign Investment Risk Review Modernization Act ("FIRREA") were implemented in February 2020. Among other things, the new regulations expand the scope of CFIUS' jurisdiction to cover more types of transactions and empowers CFIUS to scrutinize more closely investments in U.S. "sensitive personal data," "critical infrastructure" and "critical technology" companies, including investments involving foreign limited partners or foreign co-investors that may be deemed non-controlling, but "non-passive." Moreover, as of November 2018, certain transactions involving foreign persons and U.S. "critical technology" companies are subject to mandatory pre-closing



notification requirements, and monetary penalties may attach to a party's failure to file such a notification. Certain of the limited partners of a Fund are expected to be non-U.S. investors, and in the aggregate, may comprise a substantial portion of the Fund's aggregate commitments, which may increase the risks of such restrictions, limitations, and notification obligations being imposed. In the event that restrictions are imposed on any investment by a Fund due to the non-U.S. status of a limited partner or group of limited partners or other related CFIUS or national security considerations, the General Partner may choose to restrict such limited partner's or such group of limited partners' ability to invest in any such portfolio investment and further, if applicable, restrict such limited partner's or such group of limited partners' rights to participate in or vote on certain decisions of the LP Advisory Committee with respect to such investment. However, there can be no assurance that any restrictions implemented on any such limited partner or any such group of limited partners will allow the Fund to maintain, or proceed with, any investment. Moreover, other countries continue to strengthen their own national security investment clearance regimes (including with respect to technology and infrastructure transactions), and a Fund's investments outside of the U.S. may also face delays, limitations, or restrictions as a result of notifications made under and/or compliance with these legal regimes. Heightened scrutiny of foreign direct investment worldwide may make it more difficult for a Fund to identify suitable buyers for investments upon exit and may constrain the universe of exit opportunities for an investment in a portfolio investment.

*Economic Sanctions Laws.* The Funds are subject to laws that restrict it from dealing with entities, individuals, organizations and/or governments which are subject to applicable sanctions regimes. Enforcement of economic sanctions laws in the U.S., EU, and other countries is increasing, and failure by the General Partner, the Funds, the Adviser or portfolio investments to comply with U.S., EU, or other relevant economic sanctions could have serious legal and reputational consequences. In addition, economic sanctions restrictions may prevent or delay consummation of an investment based on the need for enhanced due diligence or additional measures to mitigate sanctions risks.

Accordingly, the Funds will require that each subscriber represent and warrant, on a continuing basis, that it is not, and that to the best of its knowledge or belief its beneficial owners, controllers, authorized persons or agents ("**Related Persons**") (if any) are not; (i) named on any list of sanctioned entities or individuals maintained by the U.S. government, including the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") or pursuant to EU and/or UK Regulations (as the latter are extended to the Cayman Islands by Statutory Instrument), (ii) operationally based or domiciled in a country or territory in relation to which comprehensive, country-wide sanctions imposed by the United Nations, OFAC, the EU and/or the UK apply, (iii) engaging in activities that foreseeably could result in the subscriber, its beneficial owners, controllers, authorized persons or agents from becoming the target of sanctions imposed by the United Nations, OFAC, the EU and/or the UK, or (iv) otherwise targeted by sanctions imposed by the United Nations, OFAC, the EU or the UK (including as the latter are extended to the Cayman Islands by Statutory Instrument) (collectively, a "**Sanctions Subject**"). The Funds will require that each subscriber represent and warrant that it maintains policies and procedures designed to ensure compliance with applicable economics sanctions laws and regulations.

Where a subscriber or a Related Person is or becomes a Sanctions Subject, the Fund may be legally required immediately and without notice to such subscriber to cease any further dealings

with the subscriber and/or the subscriber's interest in the Fund and/or freeze such subscriber's assets in the Fund's possession until the subscriber ceases to be a Sanctions Subject, or a license is obtained under applicable law to continue such dealings (a "**Sanctioned Persons Event**"). The Funds, the General Partner and CAI shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by any subscriber as a result of a Sanctioned Persons Event.

In addition, should any investment made on behalf of a Fund subsequently become subject to applicable sanctions, the Fund may immediately and without notice to subscribers cease any further dealings with that investment until the applicable sanctions are lifted or a license is obtained under applicable law to continue such dealings.

*General Infrastructure Investments Risk.* Most infrastructure assets have unique locational and market characteristics, which could make them highly illiquid or appealing only to a narrow group of investors. Political and regulatory considerations and popular sentiments could also affect the ability of CAI to buy or sell investments on favorable terms. Infrastructure assets can have a narrow customer base. Should any of the customers or counterparties fail to pay their contractual obligations, significant revenues could cease and become irreplaceable. This would affect the profitability of the infrastructure assets. Infrastructure projects are generally heavily dependent on the developer and the operator of the assets. There are a limited number of developers and operators with the expertise necessary to successfully develop, maintain and operate infrastructure projects. The insolvency of the lead developer, contractor, a major subcontractor or a key equipment supplier could result in material delays, disruptions and costs that could significantly impair the financial viability of an infrastructure investment project. In addition, infrastructure assets may be subject to commodity risks including price, volumetric and spread risk. While efforts will be made to manage risks, a Fund could have reduced and/or more volatile returns because of changes in the prices, volumes and spreads of electricity, fuel, transportation, and transmission. Since investments in infrastructure and similar assets, like many other types of long-term investments, have historically experienced significant fluctuations and cycles in value, specific market conditions may result in temporary or permanent reductions in the value of an investment.

Infrastructure assets are subject to development or operational failures, which may lead to loss of a license, concession or contract on which a portfolio investment is dependent. In addition, despite proper development, construction, operation and maintenance, an infrastructure investment may be vulnerable to a force majeure event, and the damage caused by such an event may adversely affect a party's ability to perform its obligations until it is able to remedy the damage. For example, although CAI's investment screening process seeks to select climate adaptive assets, certain of the infrastructure investments may nonetheless be subject to risks associated with adverse weather conditions and natural disasters (such as fire, hurricanes, tornadoes, tsunamis, typhoons, windstorms, volcanic eruptions or floods, earthquakes), man-made disasters, changes in law, eminent domain, war, riots, terrorist attacks, labor disputes and other unforeseen circumstances and incidents. Insurance coverage of such risks may be limited, subject to large deductibles or completely unavailable, and CAI will determine in its discretion whether to seek insurance coverage of, or seek alternative ways to manage or mitigate, such risks.

*Risks Related to the Ownership of Infrastructure Assets.* An investment in a Fund is subject to certain risks associated with the ownership of infrastructure and infrastructure related assets in general, including: the burdens of ownership of infrastructure; local, national, and international economic conditions; the supply and demand for services from and access to infrastructure; the financial condition of users and suppliers of infrastructure assets; changes in interest rates and the availability of funds which may render the purchase, sale, or refinancing of infrastructure assets difficult or impracticable; changes in laws, including environmental laws, and regulations, and planning laws and other governmental rules; environmental claims arising in respect of infrastructure acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established; changes in energy prices; changes in fiscal and monetary policies; negative developments in the economy that depress travel; uninsured casualties; under-insured or uninsurable losses, such as force majeure events and terrorist acts; and other factors that are beyond the reasonable control of the Fund. Many of these factors could cause fluctuations in usage, expenses, and revenues, causing the value of a Fund's investments to decline and to affect the Fund's returns negatively.

*Concentration of Investments in Infrastructure Businesses.* The investments that a Fund makes generally are concentrated in infrastructure, with a focus on the transportation, water and energy sectors. Concentration in a single type of business may involve risks greater than those generally associated with broader investment strategies diversified across businesses, including significant fluctuations in returns. A Fund's target sectors are challenged by various factors, including rapidly changing market conditions and/or participants, new competing products and services, and/or improvements in existing products. A Fund's portfolio investments will compete in this potentially volatile environment. There is no assurance that products or services sold by the portfolio investments will not be rendered obsolete or adversely affected by competing products and services or that the portfolio investments will not be adversely affected by other challenges. Instability, fluctuation or an overall decline within the infrastructure industry will likely not be balanced by investments in other industries not so affected or affected in the same manner. In the event that the infrastructure and services sector as a whole declines, returns to limited partners may decrease.

*Construction Risks.* A Fund's portfolio investments generally will involve projects in the construction phase of development. In connection with any new development project, expansion of an existing project or acquisition of a project in development stage, the portfolio investment may face construction risks typical for infrastructure assets including, without limitation, (i) labor disputes, shortages of material and skilled labor or work stoppages, (ii) slower than projected construction progress and the unavailability or late delivery of necessary equipment, (iii) adverse weather conditions and unexpected construction conditions, (iv) less than optimal coordination with public utilities in the relocation of their facilities, (v) accidents or the breakdown or failure of construction equipment or processes, (vi) political opposition; regulatory and permitting delays, (vii) delays in procuring real property rights, (viii) transmission grid interconnection delays, (ix) failure by one or more of the construction participants to perform in a timely manner (or at all) its or their contractual, financial or other commitments and (x) catastrophic events such as explosions, fires and terrorist activities and other similar events beyond a Fund's control.

These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken, any of which

could have an adverse effect on a Fund and on the amount of funds available for distribution to the Fund's partners. Construction costs may exceed estimates for various reasons, including inaccurate engineering and planning, labor and building material costs in excess of expectations and unanticipated problems with project start-up. Such unexpected increases may result in increased debt service costs and funds being insufficient to complete construction. Such increases may also result in the inability of project owners to meet the higher interest and principal repayments arising from the additional debt required. Delays in project completion can result in an increase in total project construction costs through higher capitalized interest charges and additional labor and material expenses and, consequently, an increase in debt service costs. They may also affect the scheduled flow of project revenues necessary to cover the scheduled operations phase debt service costs, operations and maintenance expenses and damage payments for late delivery. In addition, there are risks inherent in certain construction work that may give rise to claims or demands against a portfolio investment from time to time. Delays in the completion of any construction project may result in lost opportunities or revenues or increased expenses, including higher operation and maintenance costs related to a portfolio investment. Assets under development or assets acquired to be developed may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced.

*New Technology Risk.* There are currently a number of scientific research institutions (including those supported by major venture capital firms and corporations) seeking to develop technologies which could reduce dependence upon certain infrastructure assets, including in the sectors in which a Fund invests. In the event that any such technology is successfully developed and implemented, any Fund's investments in the affected industry may be adversely affected. In addition, a Fund's target sectors may experience rapid and significant technological advancements and introductions of new products and services using new technologies. As these new technologies develop, portfolio investments may be placed at a competitive disadvantage, and competitive pressure may force portfolio investments to implement new technologies at a substantial cost. There can be no assurance that portfolio investments will be successful in building or acquiring any such new equipment and other assets or upgrading existing equipment in a timely and cost-effective manner. As a result, new technologies, services or standards could render some of the services, equipment and other assets provided or operated by portfolio investments obsolete, which could have an adverse effect on a Fund's investments.

*Independent Contractors.* Independent contractors are typically used in development, construction, and operations in the infrastructure industry to perform various tasks. In periods of high commodity prices, demand for such contractors may exceed supply resulting in increased costs or lack of availability of key contractors. Disruptions of operations or increased costs also can occur as a result of disputes with contractors or a shortage of contractors with particular capabilities. Additionally, since a business in which a Fund invests may not have the same control over independent contractors as they may have over their own employees, there is a risk that such contractors will not operate in accordance with their own safety standards or other policies. Any of the foregoing circumstances could have a material adverse effect on the business in which a Fund invests, and ultimately the Fund's operating results and cash flows.

Price Regulation. Certain infrastructure assets may be subject to rate regulations that determine or limit the prices they may charge, particularly if a portfolio entity is the sole or predominant service provider in its service area or provides services that are essential to the community. Users of the applicable service provided by a portfolio investment may react negatively to any adjustments to the applicable rates, or public pressure may cause relevant governmental authorities to challenge such rates. In addition, adverse public opinion, or lobbying efforts by specific interest groups, could result in governmental pressure on portfolio investments to reduce their rates, or to forego planned rate increases or forego direct or indirect subsidies. Unfavorable price determinations that may be final with no right of appeal or that, despite a right of appeal, are not successfully challenged, could result in its profits being negatively affected and portfolio investments not meeting initial return expectations. Given the public interest aspect of the services that infrastructure investments provide, political oversight of the sector is likely to remain pervasive and unpredictable and, for political reasons, governments may attempt to take actions which may negatively affect the operations, revenue, profitability or contractual relationships of infrastructure investments, including through expropriation. For example, in response to public pressure and/or lobbying efforts by specific interest groups, government entities may put pressure on infrastructure investments to reduce toll rates, limit or abandon planned rate increases, and/or exempt certain classes of users from tolls. Under these circumstances, if the affected infrastructure investments are unable to secure adequate compensation to restore the economic balance of the relevant concession agreement, CAI's business, financial condition and results of operations could be materially and adversely affected.

Regulations Applicable to the Infrastructure Industry. Due to certain events in the infrastructure sector, infrastructure assets have been under increased scrutiny by regulatory bodies, capital markets and credit rating agencies. This increased scrutiny could lead to substantial changes in laws and regulations affecting the industry, including new accounting standards that could change the way companies are required to record revenues, expenses, assets and liabilities. These types of regulations could have a negative impact on the financial condition or results of operations or access to capital of companies in the industry, including a Fund's portfolio investments and potential purchasers of infrastructure assets in which the Fund may invest. Such regulatory changes may result in increased costs to construct, develop and/or operate the Fund's investments and therefore have a material adverse effect on the amount of funds available for distribution to Investors.

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

Investments in renewable energy, storage, and related businesses and/or assets currently may enjoy support from national, state and local governments and regulatory agencies designed to finance or support the financing and development thereof. Examples of such support at the federal level in the U.S. include federal investment tax credits and federal production tax credits, and grants from the U.S. Department of the Treasury. At the state level, currently there are a broad

range of energy policies and programs relevant to renewable energy and storage resources. Some of the U.S. states or other jurisdictions have adopted Renewable Portfolio Standards (“**RPS**”), or similar, requirements that support the sale of electricity generated from renewable energy and/or storage resources. Under such programs, electric utility suppliers may satisfy their RPS requirements by purchasing renewable energy or renewable energy credits (“**RECs**”), or the like, from producers of electricity generated from renewable sources. Similar support, initiatives and arrangements exist in non-U.S. jurisdictions as well, in particular the EU. Non-U.S. jurisdictions may have more variable views on policies regarding renewable energy (and for example may be more willing or likely to abandon initiatives regarding renewable energy and storage in favor of more carbon-intensive forms of traditional energy generation).

The combined effect of these programs is to subsidize, in part, the development, ownership and operation of renewable energy and/or storage projects, particularly in markets where the low cost of fossil fuels may otherwise make the cost of producing energy from renewable sources uneconomic. The operation and financial performance of any renewable energy and/or storage investment may be significantly dependent on governmental policies and regulatory frameworks that support renewable energy and storage resources. There can be no assurance that government support for renewable energy and storage will continue, that favorable legislation will pass, or that the electricity produced by the renewable energy or storage investments will continue to qualify for support through RPS or other programs. The elimination of, or reduction in, government policies that support renewable energy and storage could have a material adverse effect on a renewable energy portfolio investment’s financial condition or results of operation. Any reduction in or elimination of these programs could have an adverse effect on development of renewable energy and storage resources, as was demonstrated, in the context of wind resources, by the significant reduction in wind power development projects between the end of 2003 when the federal production tax credit expired and the reinstatement of such credit by the U.S. Congress in October 2004. To the extent any tax credits, other favorable tax treatment or other forms of support for renewable energy or storage are changed, a Fund’s renewable energy investments may be negatively impacted.

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

Renewable energy and storage projects that become operational, or that are already operating when a Fund acquires an interest in such projects, are subject to various additional risks. Renewable energy and storage resources can be materially adversely affected by weather conditions, including, but not limited to, the impact of severe weather, which can directly influence the demand for, and price of, electricity; alter a renewable energy resource’s electrical output and/or a storage resource’s ability to charge or discharge; and damage a renewable energy and/or storage resource or associated equipment. Operation and maintenance of renewable energy and/or storage projects involves significant risks, in addition to weather, that could result in unplanned

power outages, reduced output or capacity of a facility, personal injury, or loss of life. Such risks include, but are not limited to, fires and explosions (including those caused by a renewable energy or storage resource), equipment failure, technical performance below expected levels, operator or contractor error or failure to perform, design or manufacturing defects, failure to comply with permits, force majeure, and other catastrophic events. In addition, renewable energy and storage resources are dependent on interconnection and transmission facilities, typically owned and operated by third parties, to deliver energy. If such interconnection and transmission facilities become partially or fully unavailable, which can happen as a result of numerous factors, it could negatively impact renewable energy and/or storage resources dependent thereon.

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

*Real Estate Risks.* Some or all of the portfolio investments may be subject to the risks inherent in the ownership and operation of assets or business which derive a substantial amount of their value from real estate and real estate-related interests. These types of underlying interests are typically illiquid. Deterioration of real estate fundamentals will likely negatively impact the performance of such portfolio investments. Such changes in fundamentals could involve fluctuations as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in environmental and zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighborhood values, changes in the appeal of properties to tenants, the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, increase in interest rates and other factors that are beyond the control of CAI, the General Partner and the Funds. Additionally, the Funds may acquire assets in jurisdictions where indigenous rights (*e.g.*, with respect to tribes or other dispossessed people/communities) to land exist. While a Fund will generally conduct due diligence in such jurisdictions to determine the extent to which it may be affected by such rights, it may not be possible to mitigate against or remove a risk associated with indigenous claims. Additionally, any declaration of title in respect of government protected land on which infrastructure assets are located may negatively affect the operation of those businesses.

*Climate Risk.* As discussed herein, CAI considers global climate change to be a significant threat to the global economy and to infrastructure assets in particular. Infrastructure assets may face risks from the physical effects of climate change, such as risks posed by increasing frequency or severity of extreme weather events and rising sea levels and temperatures. Also, the performance of certain renewable energy assets, such as solar power generators, wind turbines, and hydropower assets, is dependent on weather conditions, which could shift as a result of global climate change. Further, the Paris Accord and other initiatives by international, federal, state, and regional policymakers and regulatory authorities as well as private actors seeking to reduce greenhouse gas emissions may expose infrastructure assets to transition risks in addition to physical risks, such as: (i) political and policy risks (*e.g.*, changing regulatory incentives and legal requirements, including with respect to greenhouse gas emissions, that could result in increased costs or changes in business

operations); (ii) technology and market risks (e.g., declining market for products and services seen as less effective than alternatives in reducing greenhouse gas emissions); and (iii) litigation and reputational risks (e.g., risks tied to customer or community perceptions of an asset's relative contribution to greenhouse gas emissions). While CAI has developed a set of formal climate screens designed to help its investments avoid these risks to the extent possible, there is no guarantee that these screens will be successful, and CAI cannot rule out the possibility that climate risks could negatively impact a Fund's investments.

*Climate and ESG Program Risk.* As described in the applicable Fund's Memorandum, CAI is committed to investing in low-carbon infrastructure that can weather as well as mitigate the risks of climate change. This commitment to climate adaptive infrastructure, as reflected in CAI's climate screens, underpins its approach to responsible investing, and CAI is also developing a responsible investment policy to guide its broader environmental, social, and corporate governance ("ESG") program. CAI's climate screens, as well as its broader ESG program, may, to the extent they identify material economic risks associated with an investment, cause the Fund not to make an investment that it would have made or to make a management decision with respect to a portfolio investment differently than it would have made in the absence of its the screens and program. Although CAI believes its climate screens and broader ESG program will enhance the performance of the portfolio investments in which a Fund invests over the long-term while also providing low-carbon infrastructure that benefits both society and the environment, CAI cannot guarantee that its screens or ESG program, which depend in part on qualitative judgments, will positively impact the financial, climate, or ESG performance of any individual portfolio investment or the Fund as a whole. Notwithstanding the foregoing and for the avoidance of doubt, it is not contemplated that CAI will subordinate investment return or increase investment risks for a Fund as a result of (or in connection with) the foregoing climate screens and ESG integration.

Further, climate and ESG integration and responsible investing practices as a whole are evolving rapidly and there are different frameworks and methodologies being implemented by other asset managers. CAI's approach may not align with the approach used by other asset managers or preferred by prospective investors or with future market trends. For example, CAI's climate screening methodologies are proprietary and do not represent a universally recognized standard for assessing climate risk. Additionally, CAI may not independently verify certain of the climate and ESG information reported by its portfolio investments or third parties and provided by CAI to its stakeholders, including via United Nations Principles for Responsible Investing reporting, some of which is based on professional or business judgment. Further, CAI may determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing or other considerations.

Finally, there is also growing regulatory interest, particularly in the U.S., UK, and EU, in improving transparency around how asset managers define and measure climate and ESG performance, in order to allow investors to validate and better understand sustainability claims. CAI's climate and ESG practices could become subject to additional regulation in the future (including pursuant to the various legislative initiatives stemming from the action plan on sustainable finance adopted by the EU Commission in March 2018), and CAI cannot guarantee that its current approach will meet future regulatory requirements or best practices.



Privacy Law Compliance Risk. The adoption, interpretation and application of data protection and information security laws and regulations (“**Privacy Laws**”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Adviser, the General Partner, the Funds and/or its portfolio investments, and as such could increase costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Adviser, the General Partner, the Funds and/or its portfolio investments, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018, the EU has enacted the General Data Protection Regulation (EU 2016/679) and the Cayman Islands has enacted the Cayman Islands Data Protection Law, 2017, each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens and the potential for significant liability for regulated entities, which could include the General Partner, the Adviser, the Funds and/or its portfolio investments.

Policies Subject to Change. In certain cases the foregoing summarizes, as of the date of this Brochure, certain of CAI’s policies; these are subject to change, and the information relating thereto may be qualified by subsequent disclosure to investors through the Form ADV of CAI, other periodic disclosures, limited partner reporting and any disclosure as otherwise permitted or required by the governing agreements of the Funds.

Additional Risks. Each Fund will also face additional risks, including the following risks as further described in the applicable Memorandum:

- Transportation sector risks;
- Hydrologic events risks;
- Siting;
- Easements;
- Technical risks including mechanical breakdowns and parts shortages;
- Potential risks arising from restrictions regarding foreign acquisitions of U.S. Critical Infrastructure;
- Power sectors risks;
- Risks related to electricity transmission;
- Risks related to the reliance on estimates of energy and natural resource reserves;

- Hazardous activities risks;
- Environmental, health and safety risks; and
- Volatility of commodity prices.

## **Conflicts of Interest**

The Adviser and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of the Funds, and providing transaction-related, legal, accounting, management and other services to Funds and portfolio investments. The Adviser will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Governing Documents, although the Funds and their respective investments and other investments will place varying levels of demand on these over time. In the ordinary course of the Adviser conducting its activities, the interests of a Fund may conflict with the interests of the Adviser, one or more other Funds, portfolio investments or their respective affiliates. Certain of these conflicts of interest are discussed herein. The Adviser believes that the significant investment of the Founding Partners in the Funds, as well as the Founding Partners' interest in the carried interest, operate to align, to some extent, the interest of the Founding Partners with the interest of the limited partners, although the Founding Partners have or expect in the future to have economic interests in such other investment funds (including the Funds) and investments and receive fees, carried interest or other compensation relating to these interests. Such other investments that the Founding Partners may control or manage may compete with the Funds or companies acquired by the Funds. At such time as the Adviser is permitted to raise a successor Fund to a current Fund, the Founding Partners will continue to manage the current Fund's investments, but also may and likely will focus investment activities on other opportunities and areas unrelated to the current Fund's investments. Certain investments may be allocated between the Funds in a manner as set forth in the Partnership Agreement. As a general matter, the Adviser will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

Until such time as the Adviser is permitted under the Partnership Agreement to raise a successor investment fund to the applicable Fund, the Founding Partners generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of the Fund principally for the benefit of the Fund, subject to certain exceptions set forth in the Fund's Governing Documents. However, the Founding Partners expect to in the future manage other Funds and investments similar to those in which a Fund will be investing and expect to direct certain relevant investment opportunities or resources to those investment funds and investments. The Founding Partners and the Adviser's investment staff will continue to manage and monitor such investments until their realization. Over time, certain investment opportunities suitable for a Fund are likely also to be suitable for Funds sponsored by the Adviser or its affiliates. In determining which Funds should participate in such investment opportunities, subject to the Partnership Agreements, the Adviser, the Founding Partners and their affiliates are subject to potential conflicts of interest among the investors in the relevant Funds. Except as required by the relevant Governing Documents, the Adviser is not obligated to recommend any investment to any particular investment vehicle.

To determine which Funds will participate in the relevant investment opportunity, the Adviser generally assesses whether an investment opportunity is appropriate for the relevant Fund(s) based on the terms of such Fund's Governing Documents, as well as factors that the Adviser deems appropriate, including but not limited to: each Fund's investment restrictions and objectives (including those set forth in the relevant fund's Governing Documents and Side Letters, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle, structure and other relevant factors as set forth in the Adviser's allocation policy. The Fund is permitted to invest together with other Funds in the manner set forth in the relevant Governing Documents. Investments by more than one client of the Adviser in a portfolio investment may also raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser. In the event that the available amount of an investment opportunity in which a Fund invests exceeds an amount appropriate for the Fund, such excess may also be offered to one or more potential investors, as discussed below.

The Adviser will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with the Adviser's obligations and may take into consideration factors such as those set forth above; however, the Adviser's allocation of investment opportunities among Funds often will not be proportional. Therefore, such allocations may be more advantageous to a Fund relative to one or all of the other Funds, or vice versa. While the Adviser will allocate investment opportunities in a way that it believes in good faith is fair and equitable, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject did not exist.

Following such determination of allocation among Funds, the Adviser will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and is authorized to offer any such excess to one or more potential co-investors, including certain investors, Adviser personnel, Asset Operations Group members (including, Senior Advisors) and other service providers and other persons associated with CAI, other sponsors, market participants, strategic investors, finders and consultants, as determined by the Funds' Governing Documents, Side Letters and the Adviser's procedures regarding allocation. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the Adviser in its sole discretion, may not be in the best interests of the Fund or any individual limited partner. The Adviser's procedures permit it to take into consideration a variety of factors in making such determinations, which include factors which benefit the Adviser including but not limited to: (i) expressed interest in co-investment opportunities by the prospective co-investor and its investment appetite; (ii) expertise of the prospective co-investor in the industry to which the investment opportunity relates and/or any facilitation by the co-investor in bringing the investment opportunity to the Fund or in helping to secure the investment opportunity; (iii) perceived ability to quickly execute on transactions; (iv) size of current or future commitment to the Fund or other vehicles managed by the Adviser by the prospective co-investor and/or the timing of such commitments; (v) tax, regulatory, securities laws and/or other legal considerations; (vi) confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; (vii) perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar

thereto; (viii) the Adviser's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair the Adviser's ability to execute the relevant transaction in the desired time or on desired terms; (ix) size of investment allocation and practicality of dividing it up among multiple co-investors; (x) lender requirements; (xi) perceived public relations and reputational benefits or costs; (xii) the character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics, and relevant industry); and (xiii) whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investor will help establish, recognize, strengthen and/or cultivate strategic relationships and/or other relationships that have the potential to provide longer-term benefits to the relevant portfolio investment, the Fund, CAI or their respective affiliates. CAI reserve the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio investments or otherwise to have priority in co-investment opportunities.

The Adviser reserves the right, in its sole discretion, to charge a management fee and obtain a carried interest in respect of any co-investment. Since co-investments will not be made through the Fund, any compensation received in connection with a co-investment does not arise out of the investment activities of a Fund or actions taken directly or indirectly by CAI on behalf of the Fund and, therefore, none of such fees and other co-investor-related compensation reduces or offsets the Management Fee.

In addition, from time to time, the Adviser in order to consummate a transaction or facilitate the acquisition of a portfolio investment and ensure a Fund is afforded an investment opportunity or otherwise, may cause the Fund to fund (or commit to fund) on behalf of certain co-investors with a view to selling down a portion of such investment to such co-investors or other persons at a later time or prior to or within a period after the closing of the acquisition. The Fund may or may not receive compensation for such activities. If the Fund does not find co-investors and/or in the event that the co-investors breach their covenant to purchase the investment from the Fund, the Fund will have an allocation to an investment that is larger than originally anticipated. In addition, the Fund will bear the risk that any or all of the excess portion of such investment could only be sold on unattractive terms. If the excess portion of such investment has not been sold, the Fund may bear the entire portion of any other fees, costs and expenses related to such investment, hold a larger than expected investment in such portfolio investment and could realize lower than expected returns from such investment.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities are made by the Adviser or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities typically will be offered to some and not to other limited partners. When and to the extent that employees and related persons of the Adviser and third-parties make capital investments in or alongside the Fund, the Adviser is subject to conflicting interests in connection with these investments. The Adviser's allocation of co-investment opportunities among the persons and in the manner discussed herein generally will not result in proportional allocations among such persons, and such allocations are likely to be more or less advantageous to some such persons relative to others. There can be no assurance that the Fund's return from a transaction would be equal to and not less than the return

of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio investment's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio investment. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by CAI in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio investment, the Adviser and its affiliates may face a conflict of interest in respect of the advice given to, and the actions taken on behalf of, one Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). Although CAI generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In each such case, CAI will cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In certain circumstances, Funds may be prohibited from exercising (or the Adviser may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests.

Additionally, conflicts of interest can arise if a Fund makes an investment in a portfolio investment in conjunction with an investment made by another Fund. For instance, the Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other Fund. This may result in differences in price, investment terms, leverage and associated costs between the Fund and any other Fund. There can be no assurance that the Fund and the other Fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that the Fund's return on such an investment will be the same as the returns achieved by any other Fund participating in the transactions. In addition, the Adviser and/or its affiliates may enter into cross-transactions on behalf of a Fund and/or successor Funds, or co-investors or co-investment vehicles, in which a Fund buys securities from, or sells securities to, such other persons. Such transactions are likely to arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio investment owned by a fund is acquired by a portfolio investment acquired by another fund. In some cases, a portfolio investment of a Fund may be merged with or into a portfolio investment owned by another Fund. Any such transactions raise potential conflicts, including where the assets of one Fund support positions taken by other Funds. These conflicts

are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' Governing Documents or otherwise in the sole discretion of the applicable Funds' General Partners, such General Partner may seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory committee) to such transactions. In certain circumstances, the Adviser may not obtain such an opinion or consent and may determine that the willingness of a third-party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Funds under then-current market conditions. Whether or not such consent is obtained or there is a fairness opinion or a third-party investor, the Adviser will conduct such transactions in a manner that the Adviser believes in good faith to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each fund. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to a Fund.

The Adviser expects to be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to the Funds. The Adviser, in its sole discretion, will allocate fees and expenses in accordance with the relevant Partnership Agreement and in a manner that it believes in good faith is fair and equitable to the Fund under the circumstances and considering such factors as it deems relevant. There can be no assurance the allocations of such expenses will be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of Funds or co-investors receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has a greater benefit to a Fund or the Adviser and/or its affiliates. The Funds may have different expense reimbursement terms, including with respect to Management Fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

The Funds generally makes controlling investments in portfolio investments. As a result of these controlling interests, the Adviser typically has the right to appoint portfolio investment board members (including current or former Adviser personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio investment board members approve compensation and other amounts payable to the Adviser and/or its affiliates in connection with services provided by the Adviser and its affiliates to such portfolio investment, and, except to the extent such amounts are subject to the Partnership Agreement's offset provision, are in addition to the Management Fee or carried interest discussed herein. The Adviser's authority to appoint or influence the appointment of portfolio investment board members who may be involved in approving compensation payable to the Adviser subjects the Adviser, its affiliates and any such portfolio investment board appointees to potential conflicts of interest.

Additionally, a portfolio investment typically will reimburse the General Partner or service providers retained at the General Partner's discretion for expenses (including, without limitation, travel expenses) incurred by the General Partner, Asset Operations Group members or such service

providers in connection with the performance of services for such portfolio investment. This subjects the General Partner to conflicts of interest because the Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the Partnership Agreement and its internal reimbursement policies and practices, the General Partner determines the amount of these reimbursements for such services in its own discretion. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and the General Partner will make certain reports to the LP Advisory Committee to the extent required by the Governing Documents. Any fee paid or expense reimbursed to the General Partner or such service providers may be subject to agreements with or review by sellers, buyers and management teams and/or third party co-investors in its transactions. The Adviser believes these factors help to mitigate related potential conflicts of interest.

Over the life of a Fund, the Adviser generally expects to exercise its discretion to recommend to a Fund or to a portfolio investment thereof that it contract for services or enter into other transactions with various service providers, potentially including, among others: (i) the Adviser (or an affiliate, which may include other portfolio investments of the Fund or other investment funds sponsored by the Adviser or an affiliate) and at rates determined or substantively influenced by the Adviser; (ii) an entity with which the Adviser or its affiliates or current or former members of their personnel has a relationship or from which such person derive a financial or other benefit, including a relationship with joint venturers or co-venturers, or a relationship where the General Partner and/or the Adviser's personnel are seconded or from which the Adviser receives secondees; or (iii) a limited partner (or a limited partner of another Fund) or its affiliates. For example, the Adviser expects to from time to time initiate transactions or service agreements between two or more portfolio investments of a Fund and/or other Funds and expects to engage certain limited partners or their affiliates that are engaged in lending or related businesses to provide financing and/or other services in connection with a Fund's investments. Potential conflicts of interest arise in initiating such transactions, as the Adviser has incentives to maintain goodwill between it and its former, existing and prospective portfolio investments. Similarly, the Adviser has incentives to engage limited partners to provide services to a Fund and/or its portfolio investments, including financing, to maintain goodwill with such limited partners including with respect to investments made or that may be made in such Fund or another Fund. As a result, in each case, the products or services recommended may not necessarily be the best or lowest cost option. Although the Adviser generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers.

The foregoing subjects the Adviser to potential conflicts of interest, because although it initiates transactions and select or recommend service providers that it believes are aligned with its operational strategies and that will enhance portfolio investment performance, the Adviser may have an incentive to recommend the related or other person or transaction because of its financial or business interest. Additionally, there is a possibility that the Adviser, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Adviser or the Funds), has the potential to favor such transaction, retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Whether or not the Adviser has a relationship with or receives financial or other benefit from recommending

a particular transaction or service provider, there can be no assurance that no other transaction would be more beneficial or that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The Adviser reserves the right to employ personnel, including Asset Operations Group members with pre-existing ownership interests in or who were employed by portfolio investments owned by the Funds or investment vehicles advised by the Adviser; conversely, former personnel or executives of the Adviser or its affiliates (including Asset Operations Group members) may serve in significant management roles at portfolio investments or service providers recommended by the Adviser. Similarly, the Adviser and/or its personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio investment finders), executives, attorneys, accountants, institutional investors, family offices, lenders, former employees, and current and former portfolio investment executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Adviser and/or the Fund or other investment vehicles the Adviser advises and/or portfolio investments. The Adviser expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to a Fund or a portfolio investment owned by the Fund if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide the Adviser information about markets and industries in which the Adviser operates (or is contemplating operations) or will provide other services that are beneficial to the Adviser. Also, for example, the Adviser is permitted to cause a Fund to make payments to investment banks, all or a portion of which is for the purpose of generating future deal flow; however, such payments may not result in any future deal flow, or may create goodwill that ultimately results in future deal flow for one or more other funds managed by the Adviser that did not pay such expenses. The Adviser expects to be subject to a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between itself and the existing and prospective portfolio investments for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio investments held by a Fund.

In certain circumstances, current or former CAI personnel also may serve in interim or part-time roles at portfolio investments, or may provide services to portfolio investments as secondees or in similar capacities, while maintaining certain benefits, office space, support services and/or indicia of employment at CAI. Under such arrangements, the relevant portfolio investment generally will pay all or a portion of the compensation and benefits in respect of such employees (including salary, bonus, insurance benefits and paid time off) which will not offset the Fund's Management Fee, or may supervise or oversee such employees. These arrangements could create conflicts of interest, in that any compensation that would ordinarily be borne by CAI as overhead in respect of those personnel would be borne by the portfolio investment when they are secondees or other portfolio investment personnel. Therefore, CAI has an incentive to cause its employees to become externs or secondees or serve in similar roles to reduce its overhead or otherwise shift costs to portfolio investments. As seconded arrangements are often initiated to meet temporary portfolio investment needs, they are expected to change over time, and in many cases will be ended by CAI when the portfolio investment is sold or when the position can be filled on



a longer-term or permanent basis, at which point the secondees may or may not return to CAI. It is possible that certain CAI personnel may serve as secondees or other personnel with respect to multiple portfolio investments and perform services that directly or indirectly benefit CAI while serving as secondees or other portfolio investment personnel.

The Adviser, its affiliates, and equity holders, officers, principals and employees of the Adviser and its affiliates are permitted to buy or sell securities or other instruments that the Adviser has recommended to a Fund. In addition, officers, principals and employees are permitted to buy securities in transactions offered to but rejected by a Fund. Such transactions are subject to any restrictions in the Fund's Partnership Agreement and any policies and procedures set forth in the Adviser's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of the Adviser have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore may have additional conflicting interests in connection with these investments.

Because certain expenses are paid for by a Fund and/or its portfolio investments or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio investments, the Adviser will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio investments to incur) such expenses.

The fact that the General Partner's carried interest is based on a percentage of net profits creates an incentive for the General Partner to cause the Funds to make riskier and more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because the Funds have a fixed investment period after which capital from limited partners generally may only be drawn down in limited circumstances, and because the Management Fee is, at certain times during the life of the Funds, calculated based upon the invested capital the Funds, the Management Fee structure may create an incentive for the General Partner to deploy capital when it might not otherwise have done so.

The General Partner and/or the Adviser expect to employ or retain, on behalf of the Fund and/or the portfolio investments, as applicable, operational partners and other consultants ("**Special Consultants**"), which include affiliates of the General Partner or the Adviser, employees of such affiliates, portfolio investments of other funds managed by the General Partner or the Adviser or their affiliates, consultants, individual Senior Advisors, individual Asset Operations Group members, external executives, "strategic partners" or "executive partners". The Adviser is authorized to designate Special Consultants in its sole discretion. The Special Consultants are expected to regularly provide services to, or in connection with, the Fund in relation to its activities, or to one or more portfolio investments or prospective portfolio investments in relation to the identification, acquisition, holding, improvement and disposition of such portfolio investments, including operational aspects of such companies and Special Consultants may serve on boards or similar governing bodies or portfolio investments ("**Services**"). While Special Consultants are not expected to be exclusive to CAI, certain Special Consultants are expected to be exclusive from time to time.

Subject to the Partnership Agreement, fees and expenses associated with the Services (collectively “**Consulting Fees and Expenses**”), are expected to be paid and/or reimbursed by applicable portfolio investments and/or the Funds, and Consulting Fees and Expenses do not offset the Management Fee and are not otherwise covered by the Management Fee. Consulting Fees and Expenses are expected to include cash fees, profits or equity or stock interests in a portfolio investment, a share of proceeds upon sale of a portfolio investment and/or other incentive-based compensation to a Special Consultant, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Special Consultants, a percentage of the value of the portfolio investment, the invested capital exposed to such portfolio investment, amounts believed to be charged by other providers for comparable services guaranteed minimums, retainers, a percentage of cash flows from such company and/or other compensation. For example, Senior Advisors receive compensation for originating and/or sourcing investment opportunities that will be capitalized into the cost of portfolio investments or will otherwise be paid by a portfolio investment or the Fund. Additionally, portfolio investments may provide opportunities for Special Consultants to invest in such portfolio investment and reimburse costs and expenses incurred by Special Consultants. Special Consultants also may receive remuneration from the General Partner and/or the Fund or their affiliates and/or be entitled to other forms of compensation, including equity grants in portfolio investments. Separately, Special Consultants may receive office space, health insurance, business cards, email addresses and other employment benefits and may make use of other Adviser resources. Such investment opportunities, reimbursements and other compensation paid to a Special Consultant will not offset the Management Fee. Special Consultants may have a limited partnership or profit interest in the Fund, the General Partner, one or more other investment funds sponsored by the Adviser or in an affiliate of the Adviser. Although the General Partner intends to retain Special Consultants with a view to reducing costs to portfolio investments (and, ultimately, the Fund) and/or improving portfolio investment performance, a number of factors may result in limited or no cost savings from such retention. As a general matter, there can be no assurance that the services rendered by the Special Consultant will be effective and result in Fund returns. Moreover, the Adviser and/or its affiliates only anticipate engaging or retaining Special Consultants that they believe provide services that will create value, while providing them with competitive Consulting Fees and Expenses and other benefits commensurate with their experience and perceived ability to create value. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

CAI may institute a program under which portfolio investments owned by the Funds are given the option to participate in purchasing, vendor or similar arrangements with the Adviser, its affiliates and other portfolio investments. Program participants expect to receive discounts negotiated with various vendors and service providers on a groupwide basis. The Adviser believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio investments (which is expected to be to the benefit of the Fund) that will result if the rates for goods and services are discounted relative to those widely available in the market.

The Adviser will face potential conflicts of interest in determining the allocation of compensation. For example, the Adviser generally will not be allocated Consulting Fees and Expenses that relate to services performed by Special Consultants for the Fund, alternative investment vehicles and/or portfolio investments or prospective portfolio investments. However,

these services may also provide a direct or indirect benefit to the Adviser and/or its affiliates including other funds managed by the Adviser and/or its affiliates.

Since the Adviser is permitted to retain certain Transaction Fees (as described under “Fees and Compensation”) in connection with Fund investments, it could have a conflict of interest in connection with approving transactions and setting such compensation. Additionally, the Adviser, its personnel, Asset Operations Group members, affiliates or others designated by the Adviser expect from time to time to receive compensation in the form of portfolio investment securities. To the extent any such securities are received, after any applicable offset provisions in the relevant Governing Documents are applied (typically based on the then-present value of such securities), the Adviser and/or such other recipients will be permitted to retain such securities as Transaction Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio investment and/or the Adviser or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund). In addition, because portfolio investment securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

In certain cases, the Adviser will have opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, the Adviser will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

As noted above, the Adviser and/or its affiliates are expected to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights. As a consequence of one or more limited partners being excused or excluded, or from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments.

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

## **DISCIPLINARY INFORMATION**

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

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Adviser is affiliated with the General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to the Adviser's registration in accordance with SEC guidance. These entities operate as a single advisory business together with the Adviser and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

The Adviser has adopted the CAI Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of CAI principals and employees and addresses conflicts that arise from personal trading. The Code requires certain CAI personnel to report their personal securities transactions, prohibits or requires pre-clearance for CAI personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits CAI personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the CAI Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Bill Green, the CAI Chief Compliance Officer, at (415) 888-8873. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

CAI and its affiliated persons may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, CAI and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of CAI.

Accordingly, should CAI or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, CAI generally would be prohibited from communicating such information to clients, and CAI will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of CAI personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and employees of CAI and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent

that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same portfolio investments as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of CAI, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio investment or through an intermediate entity in a portfolio investment's structure. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

In addition to the foregoing and subject to any limitations in the Governing Documents, the Adviser and its affiliates, Founding Partners and employees generally carry on investment activities for their own account and for family members, friends or others who do not invest in the Fund, and may make investments and/or give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Fund, even though their investment objectives may be the same or similar. Such investments are likely to be (directly or indirectly through investment vehicles sponsored by potential competitors) in the same industry as the Fund invests, and to compete with the Fund for investment opportunities, and/or compete with portfolio investments of the Fund.

The Adviser is authorized, from time to time, to advance funds on behalf of a Fund and contribute such borrowed amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing is typically borne by the relevant Fund as a Fund expense, consistent with the Governing Documents. In borrowing on behalf of a Fund, the Adviser is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs. The Adviser will effect such borrowings in a manner it believes to be fair and equitable to the relevant Fund, and consistent with the Adviser's obligations to the Fund under the Governing Documents.

#### **BROKERAGE PRACTICES**

The Adviser focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer will potentially be retained. However, the Adviser is also authorized to distribute securities to investors in a Fund or sell such securities, including through using a broker-

dealer, if a public trading market exists. Although the Adviser does not regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If the Adviser sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Adviser. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser will consider a variety of factors, including: (i) a broker's execution capabilities with respect to the relevant type of order; (ii) the commissions charged by a broker, which may be based on the size of the order, the price of the security and whether the receipt of products or services is involved; (iii) the broker's reputation and responsiveness to requests for trade data and other financial information; (iv) prior experience with the firm; and (v) other factors suggested by the SEC for determining best execution.

The Adviser has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Adviser generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions that involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with the Adviser seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although the Adviser generally does not make use of such services at the current time and has not made use of such services since its inception. To the extent the Adviser uses "soft dollars" on behalf of the Funds in the future, it will seek to do so within the safe harbor provided by Section 28(e) of the Exchange Act.

The Adviser does not anticipate engaging in significant public securities transactions; however, to the extent that the Adviser engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, the Adviser is also authorized to purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, the Adviser is permitted, but is not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders are permitted to be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of the Adviser is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they likely will have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

The Funds generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to Funds over time.

In the Adviser's private company securities transactions on behalf of the Funds, the Adviser is authorized to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio investments. In determining to retain such parties, the Adviser will consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered and responsiveness to requests for information; (iv) prior experience with the firm; and (v) other factors. As a result, although the Adviser generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds will not always pay the lowest commission or fee for such services.

#### **REVIEW OF ACCOUNTS**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, the Adviser monitors portfolio investments, and the Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Each Fund generally will provide to its limited partners (i) audited financial statements annually commencing with the first year in which it makes an investment, (ii) unaudited financial statements for the first three quarters of each fiscal year, (iii) annual tax information necessary for each Fund partner's U.S. tax returns, and (iv) descriptive investment information for each portfolio investment periodically.

#### **CLIENT REFERRALS AND OTHER COMPENSATION**

The Adviser and/or its affiliates are authorized to provide certain business or consulting services to companies in a Fund's portfolio and will receive compensation from these companies in connection with such services. As described in the Partnership Agreement, this compensation will, in many cases, offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, payments to Senior Advisors and/or Asset Operations Group members, or reimbursements for out of pocket expenses directly related to a portfolio investment), these amounts are expected to be in addition to Management Fees. *See* "Fees and Compensation" above.

The Adviser is authorized, from time to time, to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents or third-party solicitors will be borne by the Adviser indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar

agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

The Adviser has retained FirstPoint Equity Capital Ltd, a placement agent, to solicit commitments from investors in exchange for a cash fee based on a percentage of the aggregate principal amount of Fund interests sold to certain third-party investors (depending on the amount sold), subject to certain exclusions and exceptions, in addition to the reimbursement of certain expenses.

### **CUSTODY**

The Adviser maintains custody of assets held in the name of one or more Funds with the following qualified custodians: Silicon Valley Bank, Santa Clara, California.

### **INVESTMENT DISCRETION**

The Adviser has discretionary authority to manage investments on behalf of each Fund. As a general policy, the Adviser does not allow clients to place limitations on this authority. Pursuant to the terms of the Partnership Agreement, however, the Adviser and/or its affiliates expect to enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund will be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. The Adviser assumes this discretionary authority pursuant to the terms of the Partnership Agreement and powers of attorney executed by the limited partners of such Fund.

### **VOTING CLIENT SECURITIES**

The Adviser has adopted the CAI Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for the Funds' portfolio investments. The Proxy Policy seeks to ensure that the Adviser votes proxies (or similar instruments) in the best interest of the Funds, including where there is an actual or potential material conflict of interest in voting proxies. The Adviser generally believes its interests are aligned with those of each Fund's investors, for example, through the principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is an actual or potential conflict of interest in voting proxies, the Proxy Policy provides that the Adviser is authorized to address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's advisory committee on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund's advisory committee is authorized to approve the Adviser's vote in a particular solicitation. The Adviser does not consider service on portfolio investment boards by the Adviser's personnel or the Adviser's receipt of management or other fees from portfolio investments to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Adviser when voting proxies on behalf of a Fund. If Fund investors would like a copy of the Adviser's complete Proxy Policy or information regarding how the Adviser voted proxies for particular portfolio investments, please contact Bill Green, the CAI Chief Compliance Officer, at (415) 888-8873, and it will be provided at no charge.



## **FINANCIAL INFORMATION**

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