

CSL CAPITAL MANAGEMENT, L.P.

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Part 2A of Form ADV: Firm Brochure
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This brochure provides information about the qualifications and business practices of CSL Capital Management, L.P. If you have any questions about the contents of this brochure, please contact us at 281-407-0693 or kent@cslenergy.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about CSL Capital Management, L.P. also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

There have been no material changes to the business since the last annual amendment filed in March 2020.

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Item 4. Advisory Business

For purposes of this brochure, the “Adviser” means CSL Capital Management, L.P., a Delaware limited partnership, together (where the context permits) with its affiliates that provide advisory services to and/or receive advisory fees from the Funds (as defined below). Such affiliates may or may not be under common control with CSL Capital Management, L.P., but possess a substantial identity of personnel and/or equity owners CSL Capital Management, L.P. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds (as defined below), or may serve as general partners of the Funds (as defined below).

The Adviser provides investment supervisory services to investment vehicles, including co-investment vehicles, (the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The Funds make primarily long-term private equity and equity-related investments, as well as investments in debt instruments. In accordance with the Funds’ respective investment objectives, investments are generally made in companies doing business in oilfield services and other energy services opportunities. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. The Adviser will serve as the investment adviser to the Funds in order to provide such services. Affiliates of the Adviser, which are under common control, will serve as general partner to the Funds

The Adviser provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund or separate investment and advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund and/or side letter agreements negotiated with investors in the applicable Fund.

Side letter agreements exist with certain limited partners and certain investors that have committed capital to co-investment vehicles. These side letters include various terms related to an investor’s investment including, among other things, fee structure (e.g. Advisory Fees, Carried Interest, and Transaction Fees, as defined below), information rights, and other rights and privileges, or accommodating regulatory needs of investors, without providing prior notice to, or receiving consent from, existing investors in a Fund. The Adviser may enter side letters in the future. The terms of such side letter agreements will be negotiated and determined by the Adviser.

The principal owner of CSL Capital Management, L.P. is Charles S. Leykum. The Adviser has been in business since 2008. As of December 31, 2020, the Adviser manages a total of \$359,887,000 of regulatory assets under management, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

As compensation for investment supervisory services rendered to the Funds, the Adviser receives from each such Fund an advisory fee (each, an “Advisory Fee”). Advisory Fees paid by a Fund are indirectly borne by investors in such Fund.

In addition, and from time to time, the Adviser and its affiliates perform services (“Related Services”) for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds (“Transaction Fees”). Generally, under the terms of the applicable organizational documents, these Transaction Fees will reduce the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of such fees. The amount and manner of such reduction is set forth in the Advisory Agreement and/or organizational documents of the applicable Fund, or, with respect to a co-investment vehicle, may be negotiated directly with an investor via a side letter. Additionally, a portfolio company will reimburse the Adviser for expenses (including without limitation reasonable travel expenses, meals and entertainment expenses) incurred by the Adviser in connection with its performance of services for such portfolio company; such reimbursed expenses are generally not included in the definition of “Transaction Fees” under the terms of the applicable organizational documents, and such reimbursements are not subject to the Advisory Fee reduction described above. For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see Item 11 below.

The Adviser and its affiliates also engage and retain senior advisors, advisers, operating partners, consultants, energy council members and other similar professionals who are not employees of the Adviser and who may, from time to time, receive payments from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, such amounts will not be deemed paid to or received by the Adviser and its affiliates and such amounts will not be subject to the Advisory Fee reduction described above. Certain of the Adviser’s employees are retained at the sole discretion of the portfolio companies to perform services for the portfolio companies such as legal services. The portfolio companies will pay for these services at rates which the Adviser believes are below the market rates for comparable services which rates are reviewed and confirmed annually. These arrangements are also described in the offering documents for the funds and are approved by committees of investors in the respective funds. The Adviser will offset any compensation that its employees receive for providing these services to the portfolio companies against any compensation that it pays to its employees.

The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by the Adviser, as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund’s Advisory Agreement, organizational documents and/or other documentation received by each investor prior to investment in such Fund. The Advisory Fees and other fees and distributions described above are generally subject to waiver or reduction by the Adviser in its sole discretion for employees. The fee structures described above may be

modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund.

Advisory Fees billed to and received from the Funds are payable quarterly in advance.

Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid are generally returned on a prorated basis.

To the extent provided in the Advisory Agreements and the partnership agreements and other organizational documents of the Funds, the Adviser will pay out of Advisory Fees compensation to its professional staff (other than Carried Interest described in Item 6 below) and the cost of office space, office equipment, communications, utilities, fees paid to person acting as placement agents in connection with the offer and sale of interest in such Fund, fees incurred by the Adviser in connection with the organization of such Fund that exceed a limit specified in such Fund's limited partnership agreement or analogous documents and other routine administrative expenses relating to the services and facilities provided by the Adviser to the Funds.

Consistent with the partnership agreements or other organizational documents of the Funds, each Fund will bear all other expenses relating to its own operations and will pay, or reimburse the General Partner or its affiliates, for all other fees, costs, expenses, liabilities and obligations relating to the Funds' and/or its subsidiaries' activities, business, portfolio companies or actual or potential investments, including with respect to any person formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company). Investors in the Funds should carefully review the applicable Fund's governing documents to understand which expenses will be borne by such Fund. In certain cases, a co-investment vehicle may be formed in connection with the consummation of a transaction. If a proposed transaction is not consummated the full amount of any expenses relating to such proposed but not consummated transaction generally would be borne by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction.

Additionally, please see Item 6 below regarding "Carried Interest" that Funds will pay.

Although the Adviser does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

With respect to each Fund, a portion of the profits of each such Fund is distributed to its general partner, if any, as "carried interest" (the "Carried Interest"). Each general partner of a Fund is a related person of the Adviser. Carried Interest paid by a Fund is indirectly borne by investors in such Fund. Certain Funds and investors in such Funds may incur lower or no Carried Interest.

The payment of Carried Interest at varying effective rates based on the past performance of a Fund creates an incentive for the Adviser to disproportionately allocate time, services or functions to

Funds paying Carried Interest or Funds paying Carried Interest at a higher rate, or allocate investment opportunities to such Funds. Generally, and except as may be otherwise set forth in the organizational documents of the Funds, this conflict is mitigated by: (i) certain limitations on the ability of the Adviser to establish new investment funds, and/or (ii) procedures setting forth investment allocation requirements. Please also see Item 11 below regarding allocation for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and includes, among others, high net worth individuals, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities.

The Adviser does not have a minimum size for a Fund.

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

Methods of Analysis and Investment Strategies

The Adviser’s investment philosophy is to construct a concentrated portfolio of private investments with a value orientation. The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The Adviser believes in formulating differentiated ideas by integrating anticipated macro themes with focused fundamental research. With respect to the Funds, the Adviser will target investments in companies engaged in oilfield services, and other energy services opportunities.

As part of its investment strategy, the Adviser will focus on private investment opportunities to seek to create maximum investor value. Private investments may include venture capital, growth equity capital, leveraged buyouts, recapitalizations, and distressed securities among other situations. The targeted securities identified by the Adviser will principally be used to gain control of, or a significant minority stake in, either new or existing companies.

The Adviser will seek to take advantage of energy opportunities with strategies tailored towards varying energy commodity price environments. The Adviser will focus primarily on small and mid-capitalized opportunities, specifically providing development, growth, and start-up capital. Finally, the Adviser will also seek to identify undervalued assets or operating companies in need of restructuring and develop positive dialogue with management. The Adviser intends to focus primarily on proprietary deal-flow generated by deep investment research and the Adviser’s

network of industry contracts. The Adviser will take a medium to long-term approach to investing (e.g., two to five years) with identifiable catalyst events. The Adviser works in cooperation with experienced management teams and industry advisors to locate and create value within existing investments.

Risks

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds, include the following:

Energy Services and Energy and Natural Resources Industries Risks. Investments in the energy and energy services sectors by the Funds may be subject to a variety of risks including, but not limited to: (i) the risk that the technology employed in an energy project will not be effective or efficient; (ii) risks that regulations affecting the energy industry will change in a manner detrimental to the industry; (iii) environmental liability risks related to energy properties and projects; (iv) risks of equipment failures, fuel interruptions, loss of sale and supply contracts or fuel contracts, decreases or escalations in power contract or fuel contract prices, bankruptcy of key customers or suppliers, tort liability in excess of insurance coverage (if any), inability to obtain desirable amounts of insurance at economic rates and acts of God or other catastrophes; and (v) the risk of changes in values of companies in the energy sector, including customers of a portfolio company, whose operations are affected by changes in prices and supplies of energy fuels (as demonstrated by the recent downturn in energy and oil prices, prices and supplies of energy fuels can fluctuate significantly over a short period of time due to changes in international politics, political instability, armed conflicts, energy conservation, the success of exploration projects, the tax and other regulatory policies of various governments, and the economic growth of countries that are large consumers of energy, as well as other factors). Because of certain Funds' sector focus, investment-related decisions and determinations, such as portfolio construction and diversification, may generally differ as compared to a more broadly-focused private equity fund. When making such decisions and determinations, the General Partner may emphasize factors in a different manner and consider different factors, in each case as compared to such decisions and determinations relating to a more broadly-focused private equity fund.

Oilfield Services Investment Risks. Demand for services and products provided by oilfield services companies is particularly sensitive to the level of exploration, development, and production activity of, and the corresponding capital spending by, oil and natural gas exploration and production companies. Investments in companies providing oilfield services or owning, controlling or investing in oilfield services assets, including horizontal and directional drilling, pressure pumping, pressure control and well services activities, are subject to a variety of risks not necessarily associated with other types of energy or other investments. Such risks may include the risks that: (i) the demand for oilfield services and products provided by portfolio companies may decline due to a reduction in end-use demand for oil and natural gas; (ii) the deterioration of the commodity price environment can negatively impact oil and natural gas exploration and production companies, and in some cases, impair their ability to timely pay for products or services

offered by portfolio companies, subjecting the payment of value for services offered by portfolio companies to the credit risk of unrelated third parties; (iii) shortages, delays in delivery or interruptions in the supply of drill pipe, replacement parts, or other equipment, supplies or materials could prevent portfolio companies from operating and adversely impact the Fund's investments in such portfolio companies; (iv) competition within the oilfield services industry may affect the ability of portfolio companies to market their services, which could adversely affect the profitability of the Fund's investment in such companies; (v) upgrading, converting or reactivating oilfield services equipment after a period of inactivity may subject such equipment or assets to operational risks which could cause delays or cost overruns and adversely affect the cash flows or financial position of portfolio companies, thereby potentially adversely affecting the profitability of the Fund's investments in such portfolio companies; (vi) unrefined oil and natural gas products and other hydrocarbons may be released into the environment as a result of conduct by portfolio companies (even if lawful at the time it occurred) or prior operators or other third parties, which could cause such portfolio companies to be required to make substantial expenditures for responsive action or government-imposed penalties, to be liable to government agencies or private parties for natural resources damages, personal injury or property damages, and to be subjected to significant business interruption; and (vii) as a result of their operation, ownership or control of or investment in regulated assets such as drilling rigs, portfolio companies may be subject to unfavorable rulings imposed by regulatory authorities.

Midstream Energy Investment Risks. Investments in companies owning, controlling or investing in midstream energy assets, including oil and gas pipelines and terminals, are subject to a variety of risks not necessarily associated with other types of energy investments. Such risks may include: (i) the risk that the market for the refined products gathered by, transported on and stored in the midstream assets held by portfolio companies may decline due to a reduction in downstream customer base or end-use demand; (ii) the risk that oil and gas producers that utilize the midstream assets will not be successful in their exploration and production of oil and gas; (iii) the risk that the land on which the midstream assets held by portfolio companies are located will not be owned by such portfolio company or held by its affiliates, and therefore will be subject to risks associated with obtaining and maintaining necessary land use rights, contracts and permits from unrelated third parties; (iv) the risk that the Federal Energy Regulatory Commission ("FERC") may regulate tariff rates for interstate movements of oil and gas on the pipeline systems held by portfolio companies in a manner that adversely affects the profitability of the Funds' investment in such companies; (v) the risk that, even if FERC permits an increase in tariff rates charged on the pipeline systems held by portfolio companies, competition from other pipeline systems may prevent such portfolio companies from doing so; (vi) the risk that any reduction in the capacity of interconnecting third-party pipelines due to testing, line repair, reduced operating pressures or other causes may result in a reduction of oil and gas volumes transported on pipelines or stored in terminals held by portfolio companies, thereby potentially adversely affecting the profitability of the Funds' investments in such portfolio companies; (vii) the risk that refined oil and gas products and other hydrocarbons transported on and stored in the midstream assets held by portfolio companies may be released into the environment, which could cause such portfolio companies to be required to make substantial expenditures for responsive action or government-imposed penalties, to be liable to government agencies or private parties for natural resources damages, personal injury or property damages, and to be subjected to significant business interruption; and (viii) the risk that, as a result of their ownership or control of or investment in

regulated assets such as pipelines, portfolio companies may be subject to unfavorable rulings imposed by regulatory authorities.

Recent Financial Market Fluctuations. General fluctuations in the market prices of securities and economic conditions generally, particularly of the type experienced since 2008, may reduce the availability of attractive investment opportunities for a Fund and may affect a Fund's ability to make investments and the value of the investments held by such Fund. Instability in the securities markets and economic conditions generally may also increase the risks inherent in a Fund's investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present and it may well continue to be volatile for the foreseeable future. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that a Fund will be able to exit from its investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable to a Fund to sell these securities when the Adviser believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of a Fund to buy, sell and partially dispose of their portfolio company investments. A Fund may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Valuation of Assets. There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. 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 may ultimately be sold. Third-party pricing information may at times not be available regarding certain of a Fund's assets. The Adviser will generally hold "de novo" investments at cost for the first year for the Fund's investment. With respect to the Funds, the exercise of discretion in valuation by the Adviser may give rise to conflicts of interest, as the performance allocation in

certain Funds is calculated based, in part, on these valuations and such valuations affect performance calculations.

Nature of Investments. The Adviser will have broad discretion in making investments for the Funds. A Fund's investments will generally consist of equity and equity linked instruments issued by privately-held companies and other assets that may be affected by business, financial market, environment or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on a Fund's investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of a Fund's activities and the value of their investments. In addition, the value of a Fund's portfolios may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Funds will achieve their respective investment objective.

Risk of Limited Number of Investments. Each Fund may participate in a limited number of investments and, as a consequence, the aggregate return of such Fund may be substantially adversely affected by the unfavorable performance of even a single Fund investment. In addition, because the Funds will primarily be investing in oilfield services and other energy services opportunities, the Funds will offer limited diversification of investments. To the extent a Fund concentrates investments in a particular industry or sector, issuer, security or geographic region, its investments will be more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. Moreover, there are no assurances that all of a Fund's investments will perform well or even return capital. Therefore, if certain investments perform unfavorably, for a Fund to achieve above-average returns, one or a few of its investments must perform very well. There are no assurances that this will be the case.

Projections; Valuation Models. The Funds may rely upon projections developed by the Adviser or a portfolio company concerning the portfolio company's future performance and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of the Adviser and the portfolio company. 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 company to realize projected values and cash flow. Further, the Adviser's strategies may be based, in part, on valuation and similar models which it has developed over time. Numerous firms commit substantial resources to the updating and maintenance of existing models as well as the ongoing development of new models. As market dynamics shift over time, a previously highly successful model may become outdated — perhaps without the Adviser recognizing that fact before substantial losses are incurred. There can be no assurance that the Adviser will be successful in maintaining effective models. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies. Before making a Fund investment, a Fund's general partner and/or the Adviser will typically conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying

degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the relevant general partner's reduced control of the functions that are outsourced. In addition, if a Fund's general partner and/or Adviser are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, a Fund's general partner and/or the Adviser will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that such general partner and/or the Adviser carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to a Fund's investments will achieve their desired effect and potential investors should regard an investment in the Funds as being speculative and having a high degree of risk.

There can be no assurance that the Funds will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor a Fund's investments on an ongoing basis. In the event of fraud by any portfolio company or any of its affiliates, a Fund may suffer a partial or total loss of capital invested in that portfolio company. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company or the seller. Such inaccuracy or incompleteness may adversely affect the value of a Fund's securities and/or instruments in such portfolio company. The Funds will rely upon the accuracy and completeness of representations made by portfolio companies and/or their former owners in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Follow-On Investments. A Fund may be called upon from time to time to make a follow-on investment in an existing portfolio company or may have the opportunity to otherwise increase its investment in such portfolio company. There can be no assurance that a Fund will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by a Fund to not make follow-on investments or its inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish such Fund's ability to influence the portfolio company's future development.

Risks in Effecting Operating Improvements and Board Participation. In some cases, the success of a Fund's investment strategy may involve, in part, efforts by such Fund to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing potential operating improvements at a portfolio company entails a high degree of uncertainty. Certain features of a relevant business environment (e.g., a portfolio company's reluctance or inability to effect layoffs or close or divest unprofitable business lines) may impede or prevent the implementation of necessary restructuring steps for such portfolio company. There can be no assurance that a Fund will be able to successfully identify and cause or persuade a portfolio company to implement such improvements in an appropriate and timely manner. Although non-control investments may also be made, the Funds intend to make investments that allow the Funds to acquire control or exercise influence over management and the strategic

direction of a portfolio company through their ability to appoint members of the board. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability characteristic of business operations may be ignored. The exercise of control over an investment could expose the assets of a Fund to claims by such portfolio company, its shareholders and its creditors. While the general partner of each Fund intends to manage such Fund in a manner that will minimize the exposure of these risks, the possibility of successful claims cannot be precluded. Further, to the extent that a Fund owns a controlling stake in, has representatives on a board of directors, or is deemed an affiliate of a particular portfolio company, it may be subject to certain securities laws restrictions which could affect both the liquidity of such Fund's interest and its ability to liquidate its interest without adversely impacting the investment's price, including insider trading restrictions, the affiliate sale restrictions of Rule 144 of the Securities Act and the disclosure requirements of Sections 13 and 16 of the U.S. Securities Exchange Act of 1934, as amended.

Active Management. The Funds may, in certain circumstances, take majority positions, often alongside other investors, such as institutions, other pooled investment vehicles, and management, while providing equity financing at all stages of a company's lifecycle. Depending upon the amount of equity owned by a Fund, any relevant contractual arrangements between the portfolio company and such Fund, and other relevant factual circumstances could result in an extension to one (1) year of the ninety-day bankruptcy preference period with respect to payments made to it. In addition, because of its equity ownership, representation on the board of directors, and/or contractual rights, a Fund may often be thought to control, participate in the management of or influence the conduct of a portfolio company. This could expose the assets of such Fund to claims by a portfolio company, its other security holders, its creditors or governmental agencies.

Non-Controlling Investments; Investments with Third Parties. A Fund may hold a non-controlling interest in a portfolio company and, therefore, may have a limited ability to protect their position in such portfolio company. In addition, a Fund may hold interests in investments in conjunction with one or more other investors. Although a Fund's general partner will seek to negotiate agreements that give such Fund influence over the direction of the investment, certain major decisions will require the consent of other investors, thereby lessening the control of such Fund and, therefore, its ability to protect the position of such Fund in such investment. In such cases, a Fund will typically be significantly reliant on the existing management, board of directors and other shareholders of such companies, who may not be affiliated with such Fund and whose interests may conflict with the interests of such Fund.

The Funds may co-invest with third parties through consortiums of private equity investors, joint ventures or other similar arrangements. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party partner or co-venturer may have financial, legal or regulatory difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of a Fund, may be in a position to take (or block) action in a manner contrary to a Fund's investment objectives, or the increased possibility of default by, diminished liquidity or insolvency of, the third-party, due to a sustained or general economic downturn. In addition, a Fund may in certain circumstances be liable for the actions of its third-party partners or co-venturers. Investments made with third parties in joint ventures or other entities may involve incentive compensation and

fees payable to such third-party partners or co-investors. There can be no assurance that minority rights will be available or that such rights will provide sufficient protection of a Fund's interests.

Risk of Reliance on Portfolio Company Management. Although the Adviser will monitor the performance of each investment, the Funds will rely upon each portfolio company's management to implement their business plans and manage the day-to-day operations. There can be no assurance that proven operating management will be found for each portfolio company as need or, if in place, that management will continue to operate successfully. Additionally, portfolio companies 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 portfolio companies will be able to attract, develop, integrate and retain suitable members of their management teams and, as a result, the Funds may be adversely affected thereby.

Time Required to Maturity of Investment; Illiquidity of Investments. There may be a significant period of time (up to ten years or more) before a Fund can successfully exit its investments in portfolio companies. Such investments may typically take from two to five years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Transaction structures typically will not provide liquidity for a Fund's investments prior to that time. In light of the foregoing, it is likely that no significant return from the disposition of a Fund's investments will occur until three and possibly up to ten years from the date of closing of the applicable Fund if at all. It is unlikely that there will be a public market for many investments at the time they are made. The Funds will generally not be able to sell portfolio securities publicly unless they are registered under applicable securities laws or unless an exemption from such registration requirement is available. In addition, in some cases the Funds may be prohibited by contract from selling portfolio company securities for a period of time. The Funds may also, subject to the applicable partnership agreement, reinvest a portion of the cash it receives from its investments, which will further delay the return of capital to investors.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate or with respect to certain potential liabilities. These arrangements may result in the incurrence of contingent liabilities, which will be borne by the applicable Fund. In that regard, investors may be required to return amounts distributed to them to fund such Fund obligations, including indemnity obligations, subject to certain limitations set forth in the applicable partnership agreement. Furthermore, each investor that receives a distribution in violation of applicable law will, under certain circumstances, be obligated to recontribute such distribution to the applicable Fund. In addition, a Fund may sell investments in public offerings. Such offerings can give rise to liability if the disclosure relating to such sales proves to be inaccurate or incomplete.

Bridge Investments. From time to time, a Fund may lend to its portfolio companies on a short-term, unsecured basis or otherwise invest on an interim basis in portfolio companies in anticipation

of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent, long-term security. It is possible, however, for reasons not always in a Fund's control, that such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by such Fund.

Additional Capital. Certain of a Fund's portfolio companies, especially those in a development or "platform" phase, may be expected to require additional financing to satisfy their working capital requirements or acquisition strategies. The amount of such additional financing needed will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from a Fund or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. If the funds provided are not sufficient, a company may have to raise additional capital at a price unfavorable to the existing investors, including the Funds. In addition, a Fund may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve such Fund's proportionate ownership when a subsequent financing is planned, or to protect such Fund's investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of a Fund or any portfolio company. There can be no assurance that a portfolio company will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

Investments Longer than Term. The Funds may make investments which may not be advantageously disposed of prior to the date on which such Fund is dissolved, either by expiration of such Fund's term or otherwise. Although the general partner of each Fund generally expects that investments will be disposed of prior to such Fund's dissolution or be suitable for in kind distribution at dissolution and each general partner has a limited ability to extend the term of the Funds, a Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of a Fund, the applicable general partner (or the relevant liquidator) will seek to use its best efforts to reduce to cash and cash equivalents such assets of such Fund as such general partner or liquidator shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the investors will occur.

Funds or accounts affiliated with the Adviser or a general partner that have invested in tandem with or in the same asset as the Funds may be required to liquidate their investments pursuant to the dissolution rights of their respective investors. Where another fund or managed account is liquidated pursuant to its dissolution provisions, this may also negatively affect the value of the Funds' investments and/or the circumstances of their disposition and accordingly the Funds' returns.

In-Kind Distributions. While the general partner of each Fund generally expects to distribute cash to investors, it is permitted under each partnership agreement to satisfy distributions in connection with the liquidation of a Fund by the in-kind distribution of securities and other Fund

assets as it may determine in its discretion. Fund assets so distributed may not be readily marketable or saleable and may have to be held by an investor for an indefinite period of time.

Competitive Nature of the Fund's Business. The activity of identifying, completing and realizing attractive investments in the energy and natural resources industry is highly competitive and involves a high degree of uncertainty. The Funds will be competing for investments with many other investment vehicles, as well as individuals, publicly-traded companies, financial institutions, and other institutional investors. Some of these competitors are large and may have greater financial and technical resources and greater access to deal flow than are available to the Funds. In addition, some of these competitors may have a lower cost of funds and access to funding sources that are not available to the Funds. Finally, some of these competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments. The Adviser cannot provide any assurance whatsoever that it will be able to choose, make and realize investments in any particular company or portfolio of companies. Although the Adviser will seek to avoid competitive situations, competition for investments may have the effect of increasing the costs, thereby reducing investment returns to the Funds. There is no assurance that these competitive pressures will not have a material adverse effect on the Funds and as a result, on the Funds' investment returns. Although the Adviser has been successful in identifying suitable investments in the past, the Adviser may be unable to identify a sufficient number of attractive investment opportunities for the Funds to meet their investment objectives. Other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the board of directors or owners of an acquisition target, consummating the transaction is subject to a myriad of uncertainties, only some of which are foreseeable or within the control of the Adviser. Further, over the past several years, an increasing number of private investment funds focusing on asset-based lending investments have been formed (and many such existing funds have grown in size). Consequently, it is possible that competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to a Fund and adversely affecting the terms upon which Fund investments can be made.

A Fund may incur bid, due diligence or other costs on investments which it elects not to make or which may not be successful. As a result, such Fund may not recover all of its costs, which would adversely affect returns. Participation in auction transactions will also increase the pressure on a Fund with respect to pricing of the transaction. Investors will be dependent upon the judgment and ability of a Fund's general partner and the Adviser in sourcing transactions and investing and managing the capital of the Fund. There can be no assurance that any Fund will be able to locate, consummate and exit investments that satisfy such Fund's rate of return objective or realize upon their values or that it will be able to invest fully its committed capital. To the extent that a Fund encounters competition for investments, returns to investors may decrease. There can be no assurance that a Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. There can be no assurance that any investor will receive any distribution from a Fund. Partial or complete sales, transfers or other dispositions of investments which may result in a return of capital or the realization of gains, if any, are generally not expected to occur for a number of years after an investment is made. Accordingly, an investment in a Fund should only be considered by persons for whom a speculative, illiquid and long-term investment is an appropriate component of a larger investment program and who can afford a loss of their entire investment.

Lack of Diversification. Since each Fund intends to concentrate its investments in the energy industry and the portfolio will not necessarily be widely diversified, the investment portfolio of the Funds may be subject to more rapid change in value than would be the case if the Funds were required to maintain a wide diversification among companies or industry groups. Accordingly, the Funds face the risk that earnings and dividends of energy companies will be greatly affected by changes in the prices and supplies of oil, natural gas and other energy fuels. Oil, natural gas and natural gas liquids prices have been, and are likely to continue to be, volatile and subject to wide fluctuations in response to a variety of factors, including: (i) relatively minor changes in the supply of and demand for oil, natural gas or natural gas liquids; (ii) market uncertainty and the condition of various economies (including interest rates, levels of economic activity, the price of securities and the participation by other investors in the financial markets); (iii) political conditions in international oil producing regions or in oil producing countries; (iv) terrorist acts; (v) the extent of domestic production and importation of oil, natural gas or natural gas liquids in certain relevant markets; (vi) the level of consumer demand; (vii) weather conditions; (viii) the competitive position of oil, natural gas or natural gas liquids as a source of energy as compared with other energy sources; (ix) the refining capacity of oil, natural gas and natural gas liquids; (x) the effect of foreign, federal and state regulation on the production, transportation and sale of oil and other price controls, taxes and environmental laws and regulations; (xi) the price of non-U.S. imports; (xii) the value of the U.S. dollar; (xiii) the availability of pipeline capacity; and (xiv) a variety of other factors beyond the control of the Adviser or the Funds. Any substantial and extended decline in the price of oil, natural gas or natural gas liquids would have an adverse effect on the value of a portfolio company's revenues, profitability and cash flows from operations.

In addition, estimates of hydrocarbon reserves by qualified engineers are often a key factor in valuing certain oil and gas assets. These estimates are subject to wide variances based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such reserve estimates to be significantly revised from time to time, creating significant changes in the value of the investment.

Volatile oil, natural gas and natural gas liquids prices make it difficult to estimate the value of developed properties for acquisition and divestiture and often cause disruption in the market for oil, natural gas and natural gas liquids developed properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

U.S. and Global Financial Markets. General economic conditions may affect the Funds' activities. Interest rates, general levels of economic activity, fluctuations in the market prices of securities and participation by other investors in the financial markets may affect the value of investments made by the Funds. Instability in the securities markets may increase the risks inherent in portfolio investments made by the Funds. Moreover, recent events may indicate that the U.S. risks entering into a recession. In particular, U.S. financial and global markets have experienced high levels of volatility in light of the impact of both the Coronavirus (Covid-19) on the global economy and the oil price collapse as a result of disagreements among the OPEC+ members concerning production levels. Because of the unprecedented nature of these events, the ultimate impacts on global markets are unpredictable and may not be immediately apparent, and may adversely affect the Funds and their investments. While the Adviser expects that the current industry environment could yield attractive investment opportunities for the Funds, there can be

no assurances that conditions in the global financial markets will not worsen or continue for an extended period and/or adversely affect one or more of the Funds' portfolio companies (including with respect to performing under or refinancing their existing obligations), their access to capital or leverage, their ability to effectively deploy their capital or realize investments on favorable terms or their overall performance.

Each Fund's investment strategy and the availability of opportunities satisfying such Fund's risk-adjusted return parameters relies in part on the continuation of certain trends and conditions observed in the financial markets and in some cases the improvement of such conditions. Trends and historical events do not imply, forecast or predict future events and, in any event, past performance is not necessarily indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations currently held by the Adviser will prove correct and actual events and circumstances may vary significantly.

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

Risks of Investments Outside of the United States and Canada. The Funds may invest in portfolio companies organized and operating principally outside of the United States and Canada. Investments in such other jurisdictions can involve certain risks not typically associated with investing in U.S. securities, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Fund's non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and non-U.S. securities markets, including potential price volatility in, and relative illiquidity of, some non-U.S. securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less governmental supervision and

regulation; (iv) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation and adverse economic and political development; (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; (vi) less developed laws regarding corporate governance, fiduciary duties and the protection of investors; (vii) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (viii) political hostility to investments by non-U.S. or private equity investors; and (ix) less publicly available information. In addition, portfolio companies located in non-U.S. jurisdictions may be involved in restructurings, bankruptcy proceedings and/or reorganizations that are not subject to laws and regulations that are similar to the U.S. Bankruptcy Code (as defined below) and the rights of creditors afforded in U.S. jurisdictions. To the extent such non-U.S. laws and regulations do not provide a Fund with equivalent rights and privileges necessary to promote and protect their interest in any such proceeding, such Fund's investments in any such portfolio company may be adversely affected. While the general partner of each Fund intends, where deemed appropriate, to manage the relevant Fund in a manner that will minimize exposure to the foregoing risks to the extent practicable, there can be no assurance that adverse developments with respect to such risks will not adversely affect the assets of such Funds that are held in certain countries.

Emerging Markets. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. Dollars; (viii) increased likelihood of governmental involvement in and control over the economies; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xiv) certain considerations regarding the maintenance of a Fund's securities and cash with non-U.S. brokers and securities depositories.

Investments in Restructurings. The Funds may make investments in restructurings which involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio company to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject a Fund to certain additional potential liabilities which may exceed the value of such Fund's original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to a Fund and distributions by such Fund to its investors may be reclaimed if any such payment or distribution is

later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or recharacterize Fund investments made in the form of debt as equity contributions.

Investments in Highly Leveraged Companies; Use of Leverage. Each Fund's investments are expected to include companies whose capital structures may have significant leverage. While investments in leveraged companies offer the opportunity for capital appreciation and each general partner will seek to use leverage in a manner it believes to be prudent, such investments also involve a higher degree of risk and increase the investment's exposure to adverse economic factors such as rising interest rates and downturns in the economy. The investments may involve varying degrees of leverage, which could magnify the impact of circumstances such as unfavorable market or economic conditions, operating problems and other changes that affect the relevant portfolio company or its industry, resulting in a more pronounced effect of such circumstances on the profitability or prospects of such companies. In using leverage, these companies may be subject to terms and conditions that include restrictive financial and operating covenants, which may impair their ability to finance or otherwise pursue their future operations or otherwise satisfy additional capital needs. Moreover, rising interest rates may significantly increase a portfolio company's interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet its debt obligations, a Fund may suffer a partial or total loss of capital invested in such portfolio company.

The extent to which a Fund uses leverage may have consequences to investors, including, but not limited to: (i) greater fluctuations in the net asset value of such Fund's assets; (ii) use of cash flow (including capital contributions) for debt service, distributions, or other purposes; (iii) to the extent that such Fund revenues are required to meet principal payments, the investors may be allocated income (and therefore tax liability) in excess of cash distributed; and (iv) in certain circumstances, such Fund may be required to dispose of investments at a loss or otherwise on unattractive terms in order to service its debt obligations or meet its debt covenants.

Investments in Less Established Companies; Risk of Fraud in Portfolio Companies. The Funds may invest a portion of their assets in the securities of less established companies. Investments in such early-stage companies may involve greater risks than are generally associated with investments in more established companies. To the extent there is any public market for the securities held by a Fund, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources, and therefore, are often more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In addition, less mature companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which a Fund invests, such Fund may suffer a partial or total loss of capital invested in that company. There can be no assurance that any such losses will be offset by gains (if any) realized on such Fund's other investments.

Certain Regulatory Considerations; Potential Changes in Laws. The energy related industries in which the Funds invest are subject to regulation by one or more U.S. federal agencies, other sovereign entities and various agencies of the states, localities, and counties in which they operate. Various politicians at both the state and national level have proposed restrictions on the energy industry that would materially and adversely impact the industries in which the Funds invest. New and existing state or federal statutes or regulations, changing regulatory schemes, any new executive orders and the burdens of regulatory compliance all may have a material negative impact on the performance of portfolio companies that operate in these industries. The Funds may invest in portfolio companies believed to have obtained all material governmental approvals required as of the date thereof to acquire and operate their facilities. In addition, the Funds may be required to obtain the consent or approval of applicable regulatory authorities in order to acquire or hold certain ownership positions in portfolio companies. The Adviser cannot predict whether new legislation or regulation governing those industries will be enacted by legislative bodies or governmental agencies, nor can it predict what effect such legislation or regulation might have. There can be no assurance that new legislation or regulation, including changes to existing laws and regulations, will not have a material negative impact on a Fund's investment performance. Moreover, additional regulatory approvals, including without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and regulations, a change in the companies' customers or for other reasons. There can be no assurance that a portfolio company will be able to (i) obtain all required regulatory approvals that it does not currently have or that it may be required to have in the future; (ii) obtain any necessary modifications to existing regulatory approvals; or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility or sales to or from third parties or could result in additional costs to a portfolio company.

Regulatory changes in a jurisdiction where a portfolio investment is located may make the continued operation of the portfolio investment infeasible or economically disadvantageous and any expenditures made to date by such portfolio investment may be wholly or partially written off. The locations of the portfolio investments may also be subject to government exercise of eminent domain power or similar events. Any of these changes could significantly increase the regulatory-related compliance and other expenses incurred by the portfolio investments and could significantly reduce or entirely eliminate any potential revenues generated by one or more of the portfolio investments, which could materially and adversely affect returns to a Fund.

In addition to the matters described above, energy and energy generation and related projects are also typically governed by other complex legal agreements. As a result, there can be a higher risk of dispute over interpretation or enforceability of the agreements. It is not uncommon for energy generation and related infrastructure assets to be exposed to a variety of other legal risks including, but not limited to, legal action from special interest groups. Interest groups may use legal processes to seek to impede particular projects to which they are opposed.

Further, the regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds may adversely affect the value of investments held by the Funds and the ability of the Funds to pursue their respective investment strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin

requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The effect of any future regulatory change on the Funds could be substantial and adverse including, for example, increased compliance costs, the prohibition of certain types of trading and/or the inhibition of the Funds' ability to pursue certain of their investment strategies as described herein.

Construction Risk. Certain portfolio investments may involve projects in the construction phase of development. In connection with any new development project, expansion of a facility or acquisition of a facility in development stage, a portfolio investment may also face construction risks typical for energy generation and related infrastructure businesses, 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) accidents or the breakdown or failure of construction equipment or processes and (v) catastrophic events such as explosions, fires and terrorist activities and other similar events beyond the Funds' 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 investors. 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 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 the construction work that may give rise to claims or demands against a portfolio investment from time to time. Delays in the completion of any infrastructure project may result in lost opportunities or revenues or increased expenses, including higher operation and maintenance costs related to a portfolio investment. Portfolio investments under development or portfolio investments 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.

Environmental Matters. Environmental laws, regulations and regulatory initiatives play a significant role in the energy industry and can have a substantial impact on investments in this industry. For example, global initiatives to minimize pollution or various emissions have played a major role in the increase in demand for natural gas and alternative energy sources, creating numerous new investment opportunities. Conversely, required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the industry. The energy and power industry will continue to face considerable and increasing oversight from environmental regulatory authorities. The Funds may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements.

There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on portfolio companies or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of the portfolio companies will not cause injury to the environment or to people under all circumstances or that the portfolio companies will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on a portfolio company, and there can be no assurance that portfolio companies will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of portfolio companies could also result in material personal injury or property damage claims.

The oil and gas industry is subject to environmental hazards, such as oil spills, natural gas leaks and ruptures, discharges of petroleum products and hazardous substances and historic disposal activities. These environmental hazards could expose a Fund's investments to material liabilities for property damages, personal injuries or other environmental harm, including costs of investigating and remediating contaminated properties. In addition, a Fund may also be liable for environmental damages caused by the previous owners or operators of properties it purchases. A variety of stringent foreign, federal, state, provincial and local laws and regulations govern the environmental aspects of the oil and gas business. Any noncompliance with these laws and regulations could subject a Fund and its properties to material administrative, civil or criminal penalties or other liabilities. Additionally, compliance with these laws may, from time to time, result in increased costs of operations or decreased production, and may affect acquisitions costs. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a fund (such as a Fund) subject to environmental liability. However, a limited partner investor in a Fund may reduce its risk of such personal liability by avoiding activities with respect to such Fund's portfolio investments other than as specifically contemplated by the applicable partnership agreement.

Natural Disasters, Terrorist Acts and Similar Dislocations. Upon the occurrence of a natural disaster such as flood, hurricane or earthquake, or upon an incident of war, riot or civil unrest, the impacted country may not efficiently and quickly recover from such event, which can have a materially adverse effect on portfolio companies and other developing economic enterprises in such country. Terrorist attacks have caused instability in the world financial markets and may in the future generate additional global economic instability. The continued threat of terrorism and the impact of military or other action have led to, and will likely lead to, increased volatility in prices for oil and gas and could affect the Funds' financial results. U.S. military and related actions in Afghanistan and Iraq, other events in the Middle East, and terrorist actions worldwide could have significant adverse effects on U.S. and world economies and securities markets. The effects of future terrorist acts (or threats thereof), military action or similar events on the economies and securities markets of countries cannot be predicted. Such disruptions of the world financial markets could affect interest rates, ratings, credit risk, inflation and other factors relating to the Funds' investments. As a result of a terrorist attack or of terrorist activities in general, the Funds and their properties may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all.

Currency and Exchange Rate Risks. A portion of a Fund's investments, and the income received by such Fund with respect to Fund investments, may be denominated primarily in currencies other than U.S. dollars. However, the books of the Funds will be maintained, and capital contributions to and distributions from the Funds generally will be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of a Fund's investments, interest and dividends received by a Fund, gains and losses realized on the sale of a Fund's investments and the amount of distributions, if any, to be made by a Fund. In addition, the Funds will incur costs in converting investment proceeds from one currency to another. The general partner of each Fund may enter into hedging transactions designed to reduce such currency risks.

Hedging Policies/Risks. In connection with certain investments, the Funds may employ hedging techniques designed to reduce the risk of adverse movements in interest rates, securities and commodities prices and currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks, including counterparty credit risk. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities or commodities prices or currency exchange rates may result in a poorer overall performance for the Funds than if they had not entered into such hedging transactions. The general partners may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring a Fund's investments.

Mezzanine and Other Subordinated Debt Investments. The Funds may invest in mezzanine and other subordinated debt investments, which involve a high degree of risk with no certainty of any return of capital. Although mezzanine debt obligations are senior to common stock and other equity securities in the capital structure, they may be subordinated to large amounts of senior debt and are often unsecured. The ability of the subordinated debt holders to influence a company's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. For example, under terms of subordination agreements, senior creditors are typically able to block the acceleration of the mezzanine debt or other exercises by the subordinated creditors of their rights. Accordingly, a Fund may not be able to take the steps necessary to protect its mezzanine debt investments in a timely manner or at all.

Adverse changes in the financial condition of an issuer or in general economic conditions (or both) may impair the ability of such issuer to make payments on its debt and result in defaults on, and declines in, the value of its subordinated debt more quickly than in the case of the senior debt obligations of such issuer. A Fund may incur expenses if it is required to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, a defaulted or non-performing debt investment may be the subject of substantial and lengthy workout or restructuring negotiations. Such negotiations may result in a reduction of principal, delay in the payment of principal, change of interest rate and/or other substantial changes in terms that may affect the value of such investment and the cash flows from such portfolio company.

If an issuer were to file for protection under chapter 11 of the U.S. Bankruptcy Code (the "Bankruptcy Code"), the Bankruptcy Code authorizes the issuer to restructure the terms of repayment of a class of debt even if the class fails to accept the restructuring, as long as the

restructured terms are “fair and equitable” to the class and certain other conditions are met. The ability of a Fund to influence such negotiations may be limited. If a Fund does not provide a majority (or, in certain cases, a greater proportion) of such financing, it may not be able to control the restructuring of such debt or direct the exercise of remedies upon the occurrence of an event of default under such debt. With respect to investments in the form of subordinated debt instruments, upon any distribution to the relevant borrower’s creditors in a bankruptcy, liquidation or reorganization or similar proceeding, the holders of such borrower’s senior and/or secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made on the investment. Such borrower may not have sufficient funds to pay all of its creditors and the relevant Fund may receive nothing, or less, ratably, than the holders of senior and/or secured indebtedness of such borrower or the holders of indebtedness that is not subordinated.

In addition, recently there have been a number of efforts by issuers to effect exchange offers for some of their unsecured or subordinated debt that have the effect of improving the position of the holders of that debt in the issuer’s capital structure to the detriment of other debt holders. If an issuer of any of a Fund’s debt investments were successful in pursuing such an exchange offer, it is possible that such Fund’s investment may become subordinated to, or on parity with, the new debt obligations incurred in such exchange, which may adversely affect the market price of such investment. Other factors may materially and adversely affect the market price and yield of such debt investments, including, without limitation, investor demand, changes in the financial condition of issuers, government fiscal policy and domestic or worldwide economic conditions. The market for relatively illiquid debt tends to be more volatile than the market for more liquid instruments.

SPAC Investment. Certain Funds are expected to acquire, or have purchased, along with employees of the Adviser or its affiliates and other persons and entities, an interest in one or more SPAC Sponsors, which interests may include an indirect ownership of warrants and “founders shares” in a SPAC through a SPAC Sponsor. Such Fund’s ownership percentage of such warrants and “founders shares” is expected to be less than the proportional amount of capital invested in such SPAC Sponsor by such Fund because some portion of such warrants and “founders shares” is expected to be allocated to employees of the Adviser or its affiliates and other persons or entities. A person or entity may receive interests in a SPAC Sponsor without making a capital contribution or payment to such SPAC Sponsor.

Each SPAC Sponsor is expected to be controlled by employees of the Adviser or its affiliates. Each SPAC Sponsor will form, sponsor, manage and control a SPAC. Each SPAC will register its shares with the SEC in an initial public offering and use the funds raised in such offering to effect a business combination and operate thereafter as a public company. In connection with such transaction, a SPAC Sponsor will reimburse the Adviser and its affiliates for all or a portion of any fees, costs and expenses incurred in connection with the formation and organization of any SPAC, including any fees, costs and expenses incurred for a SPAC that fails to have an initial public offering. Because of the priority of reimbursement, a Fund will bear a disproportionate amount of such expenses in certain circumstances.

The terms of any acquisition of interests in a SPAC and a SPAC Sponsor are expected to be calculated shortly before the initial public offering of such SPAC. Following the initial public

offering, the trading price of a SPAC's securities may materially increase or decrease, whether before or after a business combination, and none of any SPAC Sponsor, the Adviser, the General Partner or any of their respective affiliates will be able to control or predict the movement of such price. In the event a limited partner is admitted to the Fund after the initial closing, such General Partner may make equitable adjustments to the contributions and payments required by such limited partner to reflect any material change or significant event relating to trading price of securities in any SPAC. A SPAC's underlying target for the business combination will, as required by applicable securities laws, be unknown at the time of the initial public offering. A SPAC Sponsor will have the incentive to find a target company if a SPAC has a successful initial public offering. A SPAC Sponsor and its affiliates may present to any SPAC, and a SPAC may pursue, and otherwise consummate, any investment opportunities deemed appropriate by a SPAC Sponsor or any of its affiliates, in their sole discretion, including investment opportunities that may otherwise be appropriate for the Fund, although it is expected that a SPAC generally will seek investment opportunities requiring larger equity investments. Allocating the investment opportunity to a SPAC instead of a Fund would result in a Fund losing an investment opportunity to such SPAC and could have an adverse effect on a Fund. Because each SPAC Sponsor will be under common control with the Adviser, in certain circumstances, the Adviser will be incentivized to allocate investment opportunities to a SPAC at the expense of a Fund. In the event that a SPAC does not complete a business combination within the post-offering period set forth in its governing documents, the proceeds raised in the offering and held in trust are to be returned to the public shareholders. There can be no assurance or guarantee that any SPAC will be able to acquire an interest in any entity or consummate an investment, and in such case a participating Fund is not expected to receive a return of all amounts paid in connection with such SPAC. If, following a SPAC's initial public offering, the funds held in a SPAC's trust account are insufficient to allow it to operate until it consummates its initial business combination, a SPAC will depend on loans from a SPAC Sponsor or its management team (which management team will include employees of the Adviser or its affiliates) to fund its search for a business combination, to pay income taxes, if any, and to complete its initial business combination. If a SPAC Sponsor loans such amounts to a SPAC, a Fund will bear a significant amount of any such loan and any related expenses. If such SPAC is unable to complete its initial business combination within a stipulated time period, it will be forced to cease operations and liquidate, and any loans it received (including indirectly from the Fund) will not be repaid.

Cybersecurity. Investment advisers, including the Adviser, must rely in part on digital and network technologies ("cyber networks") to maintain substantial computerized data about activities for client accounts and otherwise conduct their businesses. Such cyber networks might in some circumstances be subject to a variety of possible cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of confidential computerized data or client data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers seeking to compromise sensitive information, corrupt data, or cause operational disruption. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. The Adviser maintains policies and procedures on information technology security, it has certain technical and physical safeguards intended to protect the confidentiality of its internal data, and takes other reasonable precautions to limit the potential for cybersecurity incidents, and to protect data from inadvertent disclosure or wrongful misappropriation or destruction.

Nevertheless, despite reasonable precautions, the risk remains that cybersecurity incidents could potentially occur, and such incidents, in some circumstances, might result in unauthorized access to sensitive information about the Adviser or its clients or their investors, and/or cause damage to client accounts or the Adviser's activities for clients or their investors. The Adviser will seek to notify affected clients and investors of any known cybersecurity incident that may pose a substantial risk of exposing confidential personal data about such clients or investors to unintended parties.

Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses.

Risks Associated with ESG Investing. Environmental, Social and Governance ("ESG") investment criteria may result in the selection or exclusion of securities of certain issuers for reasons other than financial performance. As a result, investment strategies using ESG criteria may underperform from a financial or investment return strategies that do not utilize ESG criteria. The application of ESG criteria may affect a portfolio's exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact the strategy's performance depending on whether such investments are in or out of favor. Socially responsible norms often differ by region, and a company's ESG practices or the Adviser's assessment of a company's ESG practices may change over time. In evaluating a company, the Adviser uses internal research and analysis and may also subscribe to various independent third party research providers that provide corporate ESG research. The Adviser is generally dependent upon information and data obtained through third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the Adviser to incorrectly assess a company's ESG practices.

Item 9. Disciplinary Information

In the past ten years, there are no legal or disciplinary events involving the Adviser or any of its management persons that are material to a client's or prospective client's evaluation of the Adviser's business or the integrity of the Adviser's management.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

Various limited liabilities companies (the "General Partners") serve as general partners of the Funds, and the General Partners and the Adviser are under common control. For a description of

material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

Affiliated Sponsor of a Special Purpose Acquisition Company

Sentinel Energy Services Inc. (“Sentinel”) is a special purpose acquisition entity (“SPAC”) focused on the energy services and equipment sectors and was formed for the purpose of entering into a merger, amalgamation, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. Sentinel is sponsored by Sentinel Management Holdings, LLC, an affiliate of CSL Capital Management, L.P. Sentinel did not identify an appropriate business within which to effect a business combination and elected in December 2019 to de-list its securities and cancel its public shares and redeem its warrants.

Certain Funds are expected to purchase, or have purchased, an interest in more of one entities (each entity, a “SPAC Sponsor”) formed for the primary purpose of forming, sponsoring, controlling and/or managing a SPAC. The SPAC Sponsor will be controlled, operated and/or managed by certain employees of the Adviser or its affiliates.

In connection with acquiring an interest in certain Funds, each limited partner of such Fund will be required to make certain acknowledgments regarding the SPACs and the SPAC Sponsors and any potential conflict of interest that may be involved between such Fund and the employees of the Adviser and its affiliates each owning interests in a SPAC and/or a SPAC Sponsor and to expressly consent to such Fund’s acquisition of an interest in any SPAC and/or SPAC Sponsor from affiliates of the Adviser.

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

Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its directors, managers, officers and employees, as well as certain other persons who provide investment advice on behalf of the Adviser and are subject to the supervision and control of the Adviser (collectively, “Adviser Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser’s Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser

Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: Kent Jamison (Chief Compliance Officer) by email at kent@cslenergy.com.

Participation or Interest in Client Transactions

Certain employees and affiliates of the Adviser may invest in the Funds, either through the General Partners, as direct investors in the Funds or otherwise. A Fund or its General Partner, as applicable, generally will reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Due in part to the fact that potential investors in a Fund (including purchasers of a limited partner’s interests in a secondary transaction) or a co-investment opportunity (see below) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Conflicts of Interest

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund may conflict with the interests of the Adviser, other Funds or their respective affiliates. Certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below.

The Adviser will, from time to time, establish certain investment vehicles through which Fund investors and other third parties invest alongside one or more Funds in one or more investment opportunities. Such vehicles, referred to herein as “co-investment vehicles,” generally are contractually required, as a condition of investment, to purchase and sell each investment opportunity at substantially the same time and substantially the same terms as the applicable Fund that is invested in that investment opportunity. Some co-investment vehicles do not pay Advisory Fees or Carried Interest.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser’s reasonable judgment, but in its sole discretion. In resolving conflicts, the Adviser considers various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are

set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- (1) A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant offering and/or organizational documents for the Funds;
- (3) Some of the Funds have established an advisory committee, consisting of representatives of investors not affiliated with the Adviser. The advisory committees meet as required to consult with the Adviser as to certain potential conflicts of interest. The Adviser will resolve any issue involving actual conflicts of interest using its reasonable judgement, but in its sole discretion, subject in certain cases to approval by the relevant advisory committee; and
- (4) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

Conflicts

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that will be faced by a Fund. Other conflicts are disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities

In connection with its investment activities, the Adviser encounters situations in which it must determine how to allocate investment opportunities among various clients and other persons, which include, but are not limited to, the following:

- The Funds;
- Any co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s) (the investors in such co-investment vehicles include individuals and entities that are also investors in one or more Funds (“Adviser Investors”) and/or individuals and entities that are not investors in any Funds (“Third Parties”));
- Any affiliated SPACs;
- Adviser Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and

- Adviser Investors and/or Third Parties acting as “co-sponsors” with the Adviser with respect to a particular transaction.

The Adviser has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith.

The Adviser must first determine which Funds will participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies and legal restrictions. A Fund’s investment objectives, strategies and structure typically are reflected in the Fund’s offering memoranda and organizational documents. Prior to making any allocation to a Fund of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund(s). The Adviser will consider a variety of factors in allocating investment opportunities, including, but not limited to:

- Each Fund’s investment objectives and investment focus;
- Each Fund’s tax status;
- Each Fund’s size;
- The total portfolio invested position;
- Timing of cash flows and account liquidity;
- Each Fund’s vintage;
- Tax implications;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the applicable offering and organizational documents of each Fund.

For follow-on investments (investments in the securities of a company already held by one or more clients of the Adviser), any Fund that participated in the prior investment will have priority over other Funds and, to the extent that multiple Funds of the Adviser have an existing investment in such issuer, such Funds will have the right to participate in the follow-on investment on a pro-rata basis based on each such existing holdings of such issuer.

Where the Adviser determines in its sole discretion that a Fund should not, or may not under the terms of the applicable investment restrictions, acquire all of a particular investment opportunity, such co-investment opportunities are offered, in the applicable General Partner’s sole discretion, to investors pro rata based on their commitment to such Fund. The Adviser may allocate up to 25% of each such co-investment opportunity to strategic partners upon notice to the Fund’s Advisory Board. In addition, early investors in certain of the Funds will be offered the opportunity to participate in such Funds’ first co-investment opportunity to the exclusion of other investors in such Funds.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the potential co-investors, the Adviser may consider some or all of a wide range of factors, which may include, but are not limited to, the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any confidentiality concerns the Adviser may have that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity); and
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds.

The Adviser's exercise of its discretion in allocating co-investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Adviser Investors and Third Parties, and in the manner discussed above may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser may be subject, discussed herein, did not exist.

In the event the Adviser determines to offer any investment opportunity to co-investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a

potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by the Fund which is not syndicated to co-investors as originally anticipated could significantly reduce the Fund's overall investment returns.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's organizational documents, the Adviser may consider the factors listed above in exercising such discretion.

The appropriate allocation among the Funds and other parties of expenses and fees generated in the course of evaluating potential investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be pro rata based on commitments unless determined by the Adviser and its affiliates in their sole discretion that such allocation would be inequitable, consistent with the organizational documents of the Funds, as applicable. Such expenses typically are not allocated to co-investment vehicles. There may be occasions when one Fund (the "Payor Fund") pays an expense common to multiple funds (the "Allocated Funds") (e.g., legal expenses for a transaction in which all such funds participate). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. While highly unlikely, it is possible that one of the Allocated Funds could default on its obligation to reimburse the Payor Fund.

In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser may be faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Adviser may have an incentive to allocate investment opportunities to the Funds from which the Adviser or its related persons may derive, directly or indirectly, a higher fee, compensation or other benefit.

In addition, principal executive officers and other personnel of the Adviser invest indirectly in and may be permitted to invest directly in Funds and may therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

Conflicts Related to Purchases and Sales

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Investment opportunities may be appropriate for Funds at the same, different or overlapping levels

of a portfolio company's capital structure. Conflicts may arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not 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 in Funds that have invested in different securities within the same portfolio company. Certain clients of the Adviser and its affiliates may invest in bank debt and securities of companies in which other clients hold securities, including equity securities. In the event that such investments are made by a Fund, the interests of such Fund may be in conflict with the interest of such other Fund, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. In addition, a conflict may arise in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. Investments by more than one client of the Adviser in a portfolio company may also raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser. Employees and related persons of the Adviser and its affiliates have made or may make capital investments in or alongside certain Funds, and therefore may have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A Fund may invest in opportunities that other Funds have declined, and likewise, a Fund may decline to invest in opportunities in which other Funds have invested.

Cross-Transactions

In certain cases, the Adviser may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals: (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Adviser and its affiliates may receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and may also be entitled to share in the investment profits of the relevant Funds. The Adviser's Chief Compliance Officer will be

responsible for monitoring such transactions to determine that such transactions are not principal transactions and that adequate disclosure has been provided to clients. The Chief Compliance Officer will consider whether disclosure is necessary, any relevant conditions or restrictions and any related conflicts of interest in a Fund's organizational documents.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of the Funds, the Adviser and its affiliates may engage in principal transactions, but do not anticipate doing so. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received. In addition, the offering documents, limited partnership agreements or other organizational documents and related documents relating to the Funds generally contain additional restrictions on the ability of the Funds or the Adviser to engage in principal transactions.

Management of the Funds

The Adviser manages a number of Funds that have investment objectives similar to each other. The Adviser may in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See "*Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities*" above. In addition, it is expected that employees of the Adviser responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Adviser, including Funds that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

Follow-on Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Conflicts Relating to the General Partner and the Adviser

The Adviser, in its discretion, occasionally recommends to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with: (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Fund) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser, because of its financial or other business interest, has an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser, its affiliates, and members, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to Funds. Such transactions are subject to the policies and procedures set forth in the Adviser's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments often vary from those of the Funds. If officers, principals and employees of the Adviser have made large capital investments in or alongside the Funds they may have conflicting interests with respect to these investments.

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

Fee Structure

Because there is a fixed investment period after which capital from investors in the Funds may only be drawn down in limited circumstances and because Advisory Fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure creates an incentive to deploy capital when the Adviser may not otherwise have done so.

Additionally, as discussed above in Item 6, the General Partners of the Funds are entitled to Carried Interest under the terms of the limited partnership agreements of such Funds. Such general partners are affiliates of the Adviser. The existence of the General Partners' Carried Interest creates an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

Providers of Operations Support

The General Partner and the portfolio companies will from time to time retain other individuals ("Operations Support Providers"), which may be affiliates of the General Partner, employees of such affiliates, portfolio companies of other of the Adviser's funds, third party consultants (including specialized consultants, external executives, energy council members, and industry

advisory roundtable members), “operating partners” or “senior advisors”. Such individuals may serve on the board or act as a consultant for one or more portfolio companies.

Pursuant to the organizational documents of the Funds, fees and expenses associated paid to such individuals (“Operations Expenses”) may be paid and/or reimbursed by portfolio companies. Operations Expenses may be determined at the discretion of the General Partner taking into account the particular service provided (including the secondment of Adviser employees to portfolio companies for the provision of services on a full time or interim basis, or as needed, to a portfolio company or prospective portfolio company or their respective affiliates or subsidiaries), may include a profits or equity interest in the portfolio company or other incentive-based compensation to the Operations Support Provider, and may otherwise 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 Operations Support Provider, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such companies. To the extent any such Operations Expenses are payable to individuals not employed by the Adviser or the General Partner (including for serving on portfolio company boards or as consultants to portfolio companies or the Adviser) by a portfolio company, such Operations Expenses will not reduce any fees otherwise payable to the management company or its affiliates. For the avoidance of doubt, any fees and other compensations and amounts described above that are received by a member of the General Partner will not offset the management fee unless such member is also an employee or officer of the Adviser.

Related Services

As described in Item 5 above, the Adviser and its affiliates may perform Related Services for, and will receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds. Generally, under the terms of the applicable organizational documents, these Transaction Fees will reduce the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of such fees. Consistent with the Funds’ partnership agreements or other organizational documents, the Adviser may incur expenses, and a portfolio company will reimburse the Adviser for such expenses (including without limitation travel expenses, and meals and entertainment expenses) incurred by the Adviser in connection with its performance of services for such portfolio company. Such reimbursements are not subject to the Advisory Fee reduction described above. The Adviser determines the amount of these fees for Related Services and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements may not (except in connection with the reductions described below) be disclosed to investors in the Funds. These fees and reimbursements may be substantial, particularly in the event such circumstances occur early in the life of the Fund’s investment in such portfolio company. This creates a conflict of interest between the Adviser and its affiliates and the Funds and their investors because the amounts of these fees and reimbursements may be substantial and the Funds and their investors generally do not have an interest in these fees and reimbursements. The Adviser and its affiliates will in some circumstances reduce the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of the applicable Fund’s share of such fees. The amount and nature of

this reduction varies from Fund to Fund and is set forth in the Advisory Agreement and/or organizational documents of the applicable Fund.

In many cases with respect to the implementation of the arrangements described above, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest may exist in the determination of any such fees and other related terms in the applicable agreement with the portfolio company.

Diverse Membership

The investors in the Funds include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors sometimes have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

Business with Portfolio Companies and Investors

Given the collaborative nature of the Adviser's business and the portfolio companies in which the Funds have invested, there are often situations where the Adviser is in the position of recommending portfolio company services to other portfolio companies. The Adviser has a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds.

The Adviser may have an incentive to recommend the products or services of certain investors in the Funds, certain Third Parties, or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

Portfolio companies controlled by a Fund may provide services to certain Fund investors. The Adviser may have an incentive to cause the portfolio company to favor those investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

The Adviser has service providers, including for example, investment bankers, outside legal counsel and pension consultants, who are investors in Funds and/or who provide services to businesses that are competitors of the Adviser. The Adviser may have a conflict of interest with

the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. There is a possibility that the Adviser, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Certain members of a Fund's advisory committee are, or in the future will be, officers or directors of, or otherwise affiliated with, investors in another Fund. The General Partner of a Fund may from time to time utilize the services of investors and their affiliates on an arm's length basis, as it deems appropriate.

Positions with Portfolio Companies

Employees of the Adviser often serve as directors of portfolio companies. In addition, employees of the Adviser may leave the employment of the Adviser or its affiliates and become an officer, director or employee of a portfolio company. The Adviser or its employees have in the past, and may in the future, receive remuneration or other fees for serving as directors to such portfolio companies ("Directors' Fees"). While the Funds and investors do not have any right to receive payment in respect to any portion of Directors' Fees received by the Adviser or its employees, such amounts are 100% offset against Advisory Fees.

Other Potential Conflicts

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Funds and the portfolio companies of the Funds may engage other common service providers. In such circumstances, there may be a conflict of interest between the Adviser, on the one hand, and the Funds and portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

The Adviser may, in its discretion, have, and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings,

arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

The partnership agreements (or analogous organizational documents) of certain Funds permit each such Fund's General Partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which the Adviser and its related persons will seek to alleviate conflicts of interest among the Funds or other persons.

Item 12. Brokerage Practices

As Funds invest primarily in private equity ventures, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Selection of Brokers and Dealers

For each of the Funds, the Adviser has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. Due to the nature of the Funds' investments, the Adviser typically does not use broker-dealers for transactions. In the event that the Adviser does place a transaction for a Fund involving a broker-dealer, the Adviser will seek "best execution". "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors may include net price, reputation, financial strength and stability, efficiency of execution and error resolution, offering to the Adviser on-line access to computerized data regarding a client's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

In order to monitor best execution, the Adviser's Chief Compliance Officer will periodically monitor the Adviser's trading to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

To the extent consistent with achieving best execution, the Adviser may also consider other business a particular broker or dealer may have done with the Adviser, such as identifying investment opportunities, performing investment banking services and providing services to the Adviser's principals.

Aggregation of Trades

The Adviser and its affiliates may aggregate (or bunch) the orders of more than one Fund, including through the use of a master trading vehicle, for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser and its affiliates generally aggregates trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

Item 13. Review of Accounts

Oversight and Monitoring

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment personnel of the Adviser on an on-going basis.

Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund, as well as quarterly performance reports within 60 days after each fiscal quarter end. The applicable general partner of a Fund, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as it deems appropriate.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

While not a client solicitation arrangement, the Adviser may from time to time engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. Such fees are generally paid by the Adviser.

Item 15. Custody

The Adviser has access to the assets of the Funds since it or an affiliate serves as the General Partner of the Funds and therefore is deemed to have custody under Rule 206(4)-2, even though the Adviser does not physically hold the securities and other assets of the Funds. The Adviser complies with the Custody Rule by relying on the audit provision, which, among other things, requires that each of the Funds be subject to audit at least annually by an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of each Fund's fiscal year end.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund.

Item 17. Voting Client Securities

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds ("Votes" or "Voting"). The Adviser will generally vote against proposals that make it more difficult to replace members of a board of directors. For all other proposals, the guiding principle by which the Adviser votes is to vote in the best interests of each Fund, while taking into account the following factors, among others: (i) whether the proposal was recommended by management and the Adviser's opinion of management; (ii) whether the proposal acts to entrench existing management; and (iii) whether the proposal fairly compensates management for past and future performance.

Funds generally cannot direct the Adviser's Vote.

All Voting decisions initially are referred to the appropriate investment professional by the Advisor's CCO for a voting decision. In most cases, the investment professional covering the particular investment will make the decision as to the appropriate vote for any particular Vote. In making such decision, he or she may rely on any of the information and/or research available to him or her. If the investment professional is making the Voting decision, the investment professional will inform the CCO of any such Voting decision, and if the CCO does not object to such decision as a result of his or her conflict of interest review, the Vote will be voted in such manner. If the CCO determines that a material conflict of interest exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Fund or take some other appropriate action. The Adviser does not make any qualitative judgment regarding a Fund's investments.

The Adviser's CCO has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. All Voting decisions will require a mandatory conflicts of interest review by the Adviser's CCO in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The Adviser's CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: Kent Jamison (Chief Compliance Officer) by email at kent@cslenergy.com.

Item 18. Financial Information

The Adviser is not required to include a balance sheet because the Adviser is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition at any time during the past ten years.