



Part 2A of Form ADV: Fidelis Infrastructure, LP- *Brochure*

Item 1 Cover Page

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Fidelis Infrastructure, LP ("Fidelis", or the "Firm") is a federally registered investment adviser with the U.S. Securities and Exchange Commission ("SEC"). Being registered as an investment adviser does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Fidelis Infrastructure, LP. If you have any questions about the contents of this brochure, please contact us at (832) 551-3300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Fidelis also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2

Material Changes

There have been no material changes since the initial ADV Part 2A Brochure was filed on December 14, 2020.

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Item 4

Advisory Business

Fidelis is a Delaware limited liability company and has its principal place of business in Houston, Texas. Fidelis intends to provide discretionary investment advisory services to a privately offered pooled investment vehicle (together with any parallel or intermediary entities, the “Fund”) exempt from registration under the Investment Company Act of 1940, as amended. Fidelis was formed in 2019. Fidelis’s principal owners are Daniel Shapiro and Bengt Jarlsjo (with both being collectively referred to as the “Principals”).

Fidelis will pursue its investment strategy through managing the Fund. Fidelis will have discretion with respect to investment decisions made for the Fund. Fidelis will provide investment advisory services to the Fund based on the investment objectives and strategies described in the Fund’s confidential offering memorandum and governing documents (referred to collectively as “Offering Documents”). Fidelis will provide advisory services to the Fund by directly investing equity across non-transportation growth infrastructure sectors, including but not limited to three main sectors: Circular Economy, Data Economy, and Transitioning Energy Economy. Circular Economy relates to sustainability, re-use, lower-carbon alternatives, and governmental & social license to operate investments. Data Economy relates to the general data ecosystem which includes digital and data storage, fiber, IoT infrastructure, smart and 5G wireless. Lastly, Transitioning Energy economy relates to transitioning markets in energy, chemicals, and materials.

Fidelis’ client will be the Fund. Fidelis will follow the investment strategy described in the Fund’s Offering Documents.

In connection with the establishment of Fidelis, the Principals have formed Kraken Services, LLC (“Kraken”), an externally facing project development firm and subsidiary which identifies perspective investment opportunities for Fidelis and the Fund, but, pursuant to the terms and conditions of the Governing Documents of the Fund, does not profit with respect such services provided to the Fund.

Fidelis will not participate in wrap fee programs.

As of the date of this Brochure, Fidelis does not advise any client assets on a discretionary or non-discretionary basis.

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Fees and Compensation

The fees and expenses associated with investments in the Fund are to be described in detail in the Fund's Offering Documents. Fidelis acts as investment adviser to the Fund, a Delaware limited partnership. An affiliate of Fidelis will act as a general partner to the Fund.

Fidelis may, in its sole discretion, manage other funds or accounts with higher or lower fees, different fee structures and different expense payment arrangements than the Fund. Further, the General Partner, in its sole discretion, may agree with a Limited Partner to waive or modify the application provisions of the Fund's Offering Documents, including the fees charged, with respect to such Limited Partner, without obtaining the consent of any other Limited Partner.

Set forth below is a description of the Fund's fees and expenses.

Management Fee. With respect to the Fund, Fidelis is entitled to fee equal to a percentage of aggregate Commitments held by Partners not designated as "affiliated partners" by the General Partner, paid quarterly in advance (the "Management Fee"). Additionally, Fidelis may receive fees from portfolio companies or others in connection with financing, advisory and management services. All such fees allocable to Fidelis's Fund will be offset against the Management Fees. Offsets against Management Fee will be carried forward as necessary.

Transaction Fees. The Management Fee will be reduced by an amount equal to 100% of Transaction Fees attributable to Partners not designated as "affiliated partners" by the General Partner. "Transaction Fees" include: (i) directors' fees, financial consulting fees or advisory fees paid to the General Partner with respect to any Fund investment; (ii) transaction fees paid to the General Partner with respect to any Fund investment; (iii) break up fees with respect to Fund transactions not completed that are paid to the General Partner; and (iv) amounts paid solely to Kraken as compensation for services rendered by any employee of the Management Company, in each case net of certain expenses (including those described below) as set forth in the Partnership Agreement; but not including, in any event, any amount received by the General Partner, the Management Company or other person or entity (A) from a portfolio company (1) as reimbursement for expenses directly related to such portfolio company, (2) as payment for services provided to any portfolio company in the ordinary course of such portfolio company's business, or (3) as compensation for services provided by the General Partner or other person as an employee of or in a similar capacity for such portfolio company or any subsidiaries or holding entities related thereto, (B) as reimbursement for expenses

related to services rendered to or by Kraken, (C) as compensation, including fees, incentive equity or other stock awards, for services rendered by the Senior Advisory Panel (or a member thereof) to a portfolio company or prospective portfolio company, (D) as compensation, including fees, incentive equity or other stock awards, for services rendered to Kraken by any person who is not an employee of the Management Company (including any Operating Partner), (E) as compensation, fees, distributions or other proceeds relating to any equity interest or contractual right held by such person or entity as of the initial closing date, or (F) to the extent approved for such treatment by the Advisory Board, any other fees or expenses.

Various costs and expenses will reduce Transaction Fees (and therefore such amounts will not reduce the Management Fee), including out-of-pocket costs and expenses (including travel expenses) incurred by the General Partner in connection with any consummated or unconsummated transaction or in connection with generating any such Transaction Fees.

To the extent that any other fund or any other entity or individual co-invests alongside the Fund in any portfolio company, any Transaction Fees will be allocated among the Fund and the co-investors in proportion to the cost of the investment or potential investment in the portfolio company investment held (or committed to be held) by each. Accordingly, the Fund will, in most cases, only benefit from the Management Fee reduction described above with respect to its allocable portion of any such Transaction Fee and not the portion of any fee allocable to any other investor in a portfolio company.

Organizational Expenses. Subject to any terms and conditions within the Fund's Offering Documents, the Fund will pay or reimburse the General Partner (or any affiliate thereof) for the Fund's and its affiliated entities' structuring, organizational, funding and startup expenses (as further set forth in the Partnership Agreement) ("Organizational Expenses") (including travel (including air travel, car or ride sharing services or other modes of transportation, meals, lodging and entertainment), other meals and entertainment, printing, mailing, courier, legal, capital raising, accounting, regulatory compliance (including the initial registrations, filings and compliance contemplated by the Alternative Investment Fund Managers Directive (2011/61/EU) and any related rules and legislation, including any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction or any similar law, rule or regulation, including any law, rule or regulation resulting from the United Kingdom ceasing to be part of the European Union (the "AIFMD") or any similar law, rule or regulation) and any administrative or other filings), incurred in connection with the structuring, organization, funding and start-up of the Fund, the General Partner and related entities, including the preparation of, and negotiations with respect to, this Memorandum and supplements hereto, investor presentations and other marketing materials, the Partnership Agreement, subscription documents, any side letters or similar agreements, agreements with placement agents and any other similar agreements, and out of pocket costs and expenses incurred by placement agents, finders or other persons performing similar

services in connection with the foregoing, but not including costs or expenses incurred in connection with compliance with any most favored nations process. The General Partner will bear the cost (through an offset against the Management Fee or otherwise) of any placement fees payable to any placement agent in connection with the formation of the Fund (the “Placement Fees”).

Fund Expenses. In addition to the Management Fee, the Fund will pay, or reimburse the General Partner (or any affiliate thereof) for, all other fees, costs, expenses, liabilities and obligations relating to the Fund’s and/or its subsidiaries’ activities, business, portfolio companies or actual or potential investments, whether incurred prior to, or following, the initial closing date, including with respect to any entity 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) (such expenses, “Fund Expenses”), including all fees, costs, expenses, liabilities and obligations (referred to collectively in this definition as “costs”) relating or attributable to: (i) activities with respect to the origination, identification and sourcing of investment opportunities for the Fund, including attending and sponsoring industry conferences and events, meeting with consultants, finders, broker-dealers, investment banks and other sources of investments and developing and maintaining an investment pipeline; (ii) activities with respect to the pursuing, structuring, organizing, negotiating, consummating, evaluating, studying (including any site, reservoir or market studies), financing, refinancing, diligencing (including developing, licensing, implementing, maintaining or upgrading any information technology systems (including any engineering, land, seismic, geophysical or geological reporting tools, databases, hardware or software (including any subscriptions to any periodicals or databases or research services (including Lexis Nexis, Thomson Reuters, Pitchbook, Bloomberg and other services of a similar nature or functionality))))), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, geologists, landmen, engineers, lenders, expert networks, third-party diligence software and service providers, consultants, title companies and similar professionals in connection therewith); (iii) indebtedness of, or guarantees made by, the Fund, the Management Company, the General Partner or any “affiliated partner” on behalf of the Fund (including any credit facility, letter of credit or similar credit support or any indebtedness entered into pending participation by a co-investor in an investment), including the repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iv) financing, commitment, origination and similar activities; (v) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement, sales, investment banker, finder and similar services; (vi) brokerage, sale, custodial, depository, local paying agent, trustee,

record keeping, account, registered office and similar services (including any depositary appointed pursuant to the AIFMD and any Swiss representative or paying agent appointed pursuant to the Swiss Collective Investment Schemes Act (as amended), including any law, rule or regulation relating to the implementation thereof); (vii) reporting, filings and other ongoing compliance requirements contemplated by the AIFMD or any similar law, rule or regulation (excluding, for the avoidance of doubt, the initial and/or preliminary registrations, filings and compliance obligations related thereto), including secondary legislation, regulations, rules and/or associated guidance, and any related requirements; (viii) developing, structuring, maintaining, operating and winding up administrative structures in Luxembourg, other European countries and other jurisdictions that are put in place to establish required residence and/or operate the investment activities of the Partnership (including the salary and benefits of any personnel reasonably necessary for the maintenance of such structures, other overhead, rent and similar costs in connection therewith and the Partnership's share of any such costs of any such structure involving other persons or entities managed by, or affiliated with, the Management Company, the General Partner or any of their respective affiliates); (ix) legal, accounting, research, auditing, technology, administration (including costs associated with any third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), consulting (including consulting and retainer fees, salary and other compensation paid to, and benefits or personnel costs provided to or on behalf of, Kraken or the Senior Advisory Panel or any member thereof, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other consultants), tax and other professional services (including costs related to the establishment or maintenance of any such activities or services); (x) reverse breakup, termination and other similar arrangements; (xi) insurance, including directors and officers liability, fidelity bond, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance (including costs related to any retention or deductibles and broker costs and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance; (xii) filing, title, transfer, survey, registration and other similar activities; (xiii) printing, communications, mailing, courier, marketing and publicity; (xiv) the preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedule K-1s or similar forms or other communications with Partners, any other administrative, compliance or regulatory filings or reports (including Form PF, Bureau of Economic Analysis Reports and reports to be filed with the U.S. Commodity Futures Trading Commission) or other information, including costs of any third-party service providers and professionals related to the foregoing; (xv) compliance with any tax or financial account reporting regime, including (A) the Foreign Account Tax Compliance Act ("FATCA"), (B) the Organization for Economic Co-operation and Development Standard for Automatic Exchange of Financial Account Information - Common Reporting Standard, and (C) any similar laws, rules and regulations, including any costs of any third-party service

providers and professionals related to the foregoing; (xvi) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services); (xvii) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including any costs incurred in connection with the General Data Protection Regulation (EU 2016/679) (as amended) and the Freedom of Information Act, 5 U.S.C. § 552), and similar laws, rules and regulations; (xviii) to the extent provided in the Partnership Agreement, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the Advisory Board (including any reasonable out-of-pocket costs incurred by representatives of the General Partner, the Advisory Board members, permitted observers and other persons in attending or otherwise participating in meetings of the Advisory Board); (xix) indemnification (including legal and any other costs incurred in connection with indemnifying any Partner or other person pursuant to the Partnership Agreement or otherwise and advancing costs incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in the Partnership Agreement; (xx) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs of discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xxi) any annual, periodic or special meeting of the Limited Partners and any other conference, meeting or webcast or other video conference with any Partner(s) and any periodic meeting, training program and/or event involving portfolio company management and/or other persons (in each case, including any costs associated with venue, set-up, room and board, dining, entertainment, gifts and mementos, honorarium, events or speakers and other meeting or conference-related costs), in each case to the extent incurred by the Fund, the General Partner or any other affiliate of the General Partner; (xxii) except as otherwise determined by the General Partner in its sole discretion, any cost relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense or organizational expense if it were incurred in connection with the Fund, any costs incurred in connection with the formation, management, operation, termination, winding up and dissolution of any Feeder Funds (as defined below) to the extent not paid by the investors investing in such entities and any other costs related to any structuring or restructuring of the Fund (including domiciling the Fund in a jurisdiction other than Cayman Islands), any alternative investment vehicle or any portfolio company; (xxiii) the termination, liquidation, winding up or dissolution of the Fund and any legal entities owned directly or indirectly by the Fund, including portfolio companies and related entities; (xxiv) defaults by Partners in the payment of any capital contributions; (xxv) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the General Partner and related entities, any entities owned directly or indirectly by the

Fund (including portfolio companies) and any alternative investment vehicle of the Fund, including the preparation, distribution and implementation thereof; (xxvi) (A) compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations), including any legal, administrator, consulting or other third-party service provider costs related thereto, any regulatory costs of the General Partner or any of its affiliates incurred in connection with the operation of the Fund and any costs related to compliance with any environmental, social or governance or other investment considerations and policies applicable to the Fund, the General Partner and/or any of their respective affiliates and/or (B) the validation or other confirmation of any costs related to the validation of any payments made to the Fund or the General Partner (including as a result of any anti-money laundering laws, rules or regulations); (xxvii) any litigation or governmental inquiry, investigation or proceeding, including any costs of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Partnership Agreement; (xxviii) any consultants, experts or advisors, including independent appraisers, engaged in connection with the Fund considering, making, holding or disposing of, directly or indirectly, an investment in the same person as one or more other investment vehicles (other than the Fund) managed or controlled by the General Partner or any of its affiliates; (xxix) unreimbursed costs incurred in connection with any transfer or proposed transfer by a Limited Partner or any Limited Partner's name change, internal restructuring or change in trust, registered agent or custodian; (xxx) any taxes, fees and other governmental charges levied against the Fund and all costs incurred in connection with any tax audit, inquiry, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a Partner) and any costs of or related to the "partnership representative" or the "designated individual" of the Fund; (xxxi) distributions to the Partners and other costs associated with the acquisition, holding and disposition of investments, including extraordinary expenses; (xxxii) unreimbursed and unpaid costs of Kraken, the Senior Advisory Panel or any of their respective members, employees or other persons engaged by the foregoing; (xxxiii) compliance or regulatory matters, except as otherwise set forth in the Partnership Agreement, including compliance with the Partnership Agreement (including any most favored nations process contemplated therein) and/or any side letter or similar agreement; (xxxiv) attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of the General Partner, the Management Company or any of their respective affiliates at any trade conference, including any applicable registration costs and exhibition, sponsorship or other presentation costs; (xxxv) any travel (including air travel, car or ride sharing services, other modes of transportation, meals, lodging and entertainment) and other meals and entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxvi) expenses relating to hiring consultants or portfolio company management or personnel (including headhunter fees, background checks and/or relocation expenses); (xxxvii) all costs and expenses associated with operating a Feeder Fund which invests all or substantially all

of its assets in the Fund, including all expenses associated with its management, operation, winding-up, liquidating and dissolution and with preparing and distributing such Feeder Fund's financial statements, tax returns and Feeder Fund limited partner reports, but not including any income based or similar taxes, fees or other governmental charges levied against such Feeder Fund; (xxxviii) any of the items listed in clauses (i) - (xxxvii) above relating to any investment, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful and/or that may have been offered to co-investors (including any opportunity offered to co-investors' proportionate share of any expenses related to an investment or other opportunity not consummated); (xxxix) any Organizational Expenses; (xl) any Placement Fees; and (xli) any other fees, costs, expenses, liabilities or obligations approved by the Advisory Board.

In the event that the Parallel Fund proposes to structure an investment using a blocker corporation or other intermediate entity intended to avoid causing Limited Partners of the Parallel Fund to incur UBTI or ECI (as such terms are defined in "UBTI; ECI" below) from such investment, all costs, expenses and reduction in proceeds attributable to such blocker corporation or other intermediate entity, including those related to the structuring, restructuring, formation, operation, disposition and liquidation of, and all taxes incurred in connection with, related to or imposed on, such blocker corporation or other intermediate entity will be borne solely by the Limited Partners investing through the Parallel Fund. For the avoidance of doubt, any such costs, expenses, and reduction in proceeds so borne will not reduce or otherwise effect any carried interest for any purpose under the Partnership Agreement.

Carried Interest. With respect to the fund, net proceeds from the disposition of the Fund's investments, together with any dividends, distributions or interest earned on such investment, are first distributed to each participating Investor until said Investor receives return of capital and a stated preferred return. Next, the General Partner will receive all remaining proceeds until it has received a defined percentage of the aggregate distributions made with respect to amounts initially apportioned to participating Investors and attributable to such investment. Thereafter, the remaining proceeds will be distributed to participating Investors and to the General Partner ("Carried Interest").

With respect to Management Fees, Fidelis, or the general partner of the applicable Client, may draw-down capital commitments from the investors in the Client, or may use amounts that would otherwise be available for distribution to such investors, in order to meet the Client's obligation to pay the Management Fee.

The Fund may incur normal and customary expenses relating to its operations, and such expenses are allocated among the Investors in the Fund pursuant to the terms of its operating agreement.

Fidelis will charge Management Fees quarterly in advance. Management Fee installments for any period other than a full quarterly period shall be adjusted on a pro rata basis according to the actual number of days elapsed.

Other than as described above, neither Fidelis nor any of its supervised persons shall receive any additional compensation from the sale of securities or other investment products. However, in connection with each Fund investment, Fidelis or one of its affiliates may enter into a service agreement with the portfolio company for certain consulting, operational and business advisory services, and in connection therewith may earn certain advisory, monitoring, break-up, commitment, directors' or similar fees.

Item 6

Performance-Based Fees and Side-By-Side Management

As stated in Item 5 above, Fidelis is entitled to receive Carried Interest, to the extent earned, from the Fund. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee paying clients over other clients in the allocation of investment opportunities.

Item 7

Types of Clients

Fidelis intends to provide investment advisory services to the Fund based on the investment objectives and strategies described in the Fund's Offering Documents. Fidelis, in its sole discretion, may manage other funds or accounts with different objectives, higher or lower fees and different fee structures than the Fund.

Investors in the Fund will be required to complete and submit a subscription agreement binding them to the terms of the Fund's governing documents. Fidelis only admits "accredited investors", as defined in Rule 501(a) of Regulation D under the Securities Act of 1933 and "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended. The minimum investment in the Fund is \$10,000,000, although the General Partner may accept investments in a lesser amount at its sole discretion.

Item 8

Methods of Analysis, Investment Strategies and Risk of Loss

Fidelis aims to operate an execution-centric infrastructure strategy, coupling underwriter-driven development with new-build development oversight, construction execution and delivery experienced management. This strategy is centered around an experienced management team actively managing new-build delivery risks and optimization opportunities as well as managing post-delivery and post-commissioning operational risks and optimization opportunities. This project delivery and optimization approach is expected to be applied with the goal of building a synergistic project portfolio of post-development greenfield and brownfield projects with expansion pathways. Fidelis intends to construct the Fund's investments, both post-development greenfield and brownfield, to produce long-term exposure to relatively stable, economically insensitive, inflation protected cash flows that are generally uncorrelated with other asset classes.

Fidelis anticipates exposure to multiple infrastructure sectors experiencing demand-based growth and associated project delivery requirements to achieve commercial operations. Many of these sectors are expected to overlap and provide related synergies. The Firm has identified renewable and energy transition projects, data infrastructure projects, and sustainability & circular economy projects to be immediate areas of interest for the Fund. Fidelis currently anticipates the Fund will invest in six to ten portfolio companies, which Fidelis believes will create sufficient portfolio diversification while also providing ample co-investment opportunities to the Fund's limited partners, as appropriate.

The Fund, in conjunction with its co-investors, where applicable, expects to act as a majority control investor in substantially all of its investments, but may selectively consider investments in which it has significant minority influence and appropriate negative controls. Fidelis plans to secure board seats in its portfolio companies and roles on key committees. Fidelis expects to be able to approve budgets and business plans, capital expenditures, key staff appointments and removals, capital structure, key agreements, liquidity events and key policies and procedures, amongst other considerations. Through both formal and informal channels, Fidelis intends to be significantly involved in corporate governance and to interface with its portfolio companies across all relevant areas of project screening, selection, underwriter-driven development, EPC project delivery, start-up, operations, maintenance, funding, legal and environmental, health and safety compliance.

The foregoing discussion includes and is based upon numerous assumptions and opinions of Fidelis concerning world financial markets and other matters, the accuracy of which cannot be assured. There can be no assurance that the Fund's investment strategy will achieve profitable results or that the Limited Partners will not incur substantial or total losses.

An investment in the Fund involves significant risks and other considerations and, therefore, should be undertaken only by prospective investors capable of evaluating and bearing such risks. Fund returns may be unpredictable and, accordingly, the Fund's investment program is not suitable as the sole investment vehicle for an investor. A prospective investor should only invest in the Fund as part of a broad overall investment strategy, and only if the prospective investor is able to withstand both extended periods of illiquidity and a total loss of its investment in the Fund. Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the limited partner interests in the Fund. As a result of these factors, as well as other risks inherent in any investment or set forth elsewhere in this Memorandum, there can be no assurance that the Fund will meet its investment objectives or otherwise be able to successfully carry out its investment program. The following list is not a complete list of all risks and other considerations involved in connection with an investment in the Fund. Prospective investors should make their own inquiries and investigation of the investment described herein, including the merits and risks involved and the legality and tax consequences of such an investment, and consult their own advisors as to the Fund, the offering of limited partner interests described herein and the legal, tax and related matters concerning an investment in the Fund.

General Fund Risks

1. Investments in Private Companies. The Fund's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risks that can result in substantial losses, including risks that: (i) private companies may have limited financial resources and limited access to additional financing, which may increase the risk of their defaulting on their obligations, leaving creditors such as the Fund dependent on any guarantees or collateral they may have obtained, (ii) private companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns, (iii) there may not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality and (iv) private companies are more likely to depend on the management talents and efforts of a small group of persons, as a result, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations.
2. Future and Past Performance; Loss of Principal. The Fund consists of one or more newly organized entities that have no prior operating history or track record. Accordingly, the Fund does not have performance history for a prospective investor to consider. With respect to any performance information contained herein, prospective investors should

bear in mind that past or projected performance set forth herein relating to any prior investment experience of the Fidelis team is not necessarily indicative of future results, and there can be no assurance that the Fund will achieve comparable results. In considering the performance information contained in this Memorandum with respect to such prior investments, prospective investors should bear in mind that an investment in the Fund does not represent an interest in any such prior investment. A prospective investor should not rely on any expectation, and there can be no assurance, that the risk/return profile of an investment in the Fund will resemble that of any prior investment. A prospective investor should only invest in the Fund as part of an overall investment strategy, and only if it is able to withstand a total loss of its investment in the Fund. While the General Partner intends for the Fund to make investments that have estimated returns commensurate with the expected risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. With respect to any of the Fund's investments, loss of principal will be possible. The Fund and any other commingled funds, investment vehicles, managed accounts, single investor funds, special purpose acquisition companies and/or other entities managed, controlled, formed and/or operated, directly or indirectly, by Fidelis in the future, for the purpose of making investments are collectively referred to herein as the "Fidelis Funds." All of the Fidelis Funds, other than the Fund, are referred to herein as the "Other Funds."

3. Control Investments. The Fund, either alone or together with co-investors, is expected to typically hold controlling interests in many of the portfolio companies in which it invests. The exercise of such control by the Fund results in additional risks of liability for violations of governmental regulations (including securities laws), failure to supervise management or other types of liability in which the general limited liability characteristic of business ownership may be ignored. If these liabilities were to arise, the Fund would suffer significant and material losses. Even when the Fund prevails in any such claims for liability, it would be expected to incur significant costs of defending against those claims.

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

5. Concentration of Investments; Lack of Diversification. The Fund may generally invest a significant portion of its aggregate capital commitments in any single portfolio company (including its direct or indirect subsidiaries), and will likely participate in a limited number of overall investments, which may be within one industry or one industry segment or within a short period of time. To the extent that the capital raised is less than the targeted amount, the Fund may invest in fewer portfolio companies and thus be less diversified. If the Fund co-invests with another investment fund (including any Other Fund), a Limited Partner (as defined below) invested in such other investment fund may have exposure to a single portfolio company through more than one fund, potentially

multiplying such Limited Partner's losses. In addition, during the early stages of the Fund's term, the Fund may hold more concentrated positions than it otherwise would.

Given the Founders' experience in certain core industries and the structural requirements of operating the Fund, the Fund may seek to make investments in a single industry segment, in a limited geographic area, in a single asset type and/or within a short period of time, which would be expected to create the conditions for a portfolio of investments that exhibit, amongst themselves, a very high degree of correlated returns. As a result of the foregoing, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry, or the timing of the Fund's investments, may substantially affect the Fund's aggregate return. In addition to the foregoing, because the Fund may only make a limited number of investments and such investments generally will involve a high degree of risk, poor performance by even a single investment could severely affect total returns. If certain investments perform unfavorably, then in order for the Fund to achieve attractive returns, one or more of its other investments must perform very well, and there can be no assurance that this will occur.

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

7. Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive. The Fund will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic industry acquirers and other financial investors, including hedge funds and other private equity funds, investing directly or through affiliates (collectively, "Competitors"). Over the past several years, an ever-increasing number of Competitors have been or are being formed, and many fund sponsors have increased the size of successor funds as compared to their corresponding prior funds. Other investment funds with similar investment objectives to the Fund likely will be formed in the future by other unrelated parties. Some of the Fund's Competitors for investment opportunities may have more relevant experience, greater financial resources, a greater willingness to take on risk and/or more personnel than the General Partner, the Management Company, the Fund, and their respective affiliates.

In this highly competitive environment, the valuations of many potential target companies have recently risen to historically high levels as measured by multiples of EBITDA. The General Partner expects that competition for appropriate investment opportunities may increase, which would increase the likelihood that the Fund would participate in auctions for investments, the outcome of which cannot be guaranteed. As a result, the Fund may experience difficulty identifying and consummating investments, and the terms upon which investments can be made may be less favorable than obtained by any prior investment made by any member of the Fidelis team.

To the extent that the Fund encounters significant competition for investments, returns to Limited Partners would be expected to decrease. In addition, it is possible that the Fund will never be fully invested if enough attractive investments are not identified and consummated. Regardless of the extent to which the Commitments of the Limited Partners are invested, the Limited Partners will be required to bear management fees through the Fund during the Investment Period (as defined in Section 8 – “Summary of Principal Terms”) partially based on the entire amount of the Limited Partners’ Commitments and other expenses as set forth in the Partnership Agreement even if the Fund fails to make any investments.

8. Illiquidity; Lack of Current Distributions. An investment in the Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The Fund’s ability to dispose of investments may be limited for several reasons (some or all of which may be outside of the Fund’s control). Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, the ability to exit an investment through the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which the Fund invests and an active mergers and acquisitions (or recapitalizations and reorganizations) market. Public offering, merger and acquisition and recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, the Fund generally will not be able to return capital or realize gains, if any, on an investment in a privately-held entity until the partial or complete disposition of such entity. While an investment may be disposed of at any time, it is generally expected that this will not occur for a number of years after the Fund’s initial investment. Before such time, there may be no current return on such investment. Furthermore, the expenses of operating the Fund (including management fees payable by the Fund to the Management Company (the “Management Fee”)) may exceed the Fund’s income, thereby requiring that the difference be paid from the Fund’s capital, including Limited Partner’s unfunded Commitments.

9. Leveraged Investments; Borrowing. The Fund is expected to make use of leverage by incurring or causing certain portfolio companies to incur debt to finance a portion of the capital required for such portfolio companies, including in respect of portfolio companies not rated by credit agencies. Leverage generally magnifies both the Fund's opportunity for higher returns and its risk of loss from a particular investment, and the magnification of the risk of loss may be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets (which may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast. As a result, at times it may be difficult for the Fund and/or portfolio companies to obtain or maintain the desired degree of leverage. The availability of leverage also is subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System (the "Federal Reserve"), the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation) may restrict or otherwise discourage lending that results in companies carrying large amounts of debt.

The use of leverage by a portfolio company typically results in restrictive financial and operating covenants on such portfolio company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Fund's investments to any deterioration in such portfolio company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a market downturn. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of capital invested in such portfolio company, which would adversely affect the Fund's returns. Additionally, in such a situation, lenders would typically have a claim that has priority over any claim by the Fund to the assets of such portfolio company in an insolvency event or proceeding. Should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a portion of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts for such portfolio company. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal level of financial leverage, the Fund would be expected to hold a larger than expected equity investment in such portfolio company and may realize lower than expected returns from such portfolio company that would likely adversely affect the Fund's ability to generate attractive investment returns for the Fund as a whole. Any failure by lenders to provide previously committed financing could also expose the Fund to potential claims by sellers of prospective portfolio companies that the Fund may have contracted to purchase.

The Fund may also borrow money or guarantee indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations it is not expected that the Fund would be compensated for providing such guaranty or exposure to such liability. Although use of such borrowing facilities enhances Fidelis' ability to close

transactions quickly, such activity also increases risk and raises the possibility that Fidelis will need to call additional capital to pay off such debt. Any use of leverage by the Fund will result in interest expense and other costs to the Fund that may exceed, or otherwise not be covered by, distributions made to the Fund or appreciation of its investments. Because the interest rate on Fund-level borrowing is typically based in part on the creditworthiness of the Limited Partners and the terms of the Partnership Agreement, it may be higher than the interest rate a Limited Partner could obtain individually. To the extent a particular Limited Partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a Limited Partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation.

While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations regarding the amount of time such leverage may remain outstanding. The Fund is expected to incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partner or any of its affiliates and, in connection with incurring such indebtedness, the General Partner may, in its sole discretion, cause the Fund to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when the Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. In addition, to the extent the Fund incurs leverage or provides any guaranty, such amounts may be secured by the Commitments of the Fund and other Fund assets. The inability of the Fund to repay any leverage secured by the Commitments of the Fund likely would enable a lender to issue a capital call directly to the Limited Partners. Borrowings by the Fund or by portfolio companies that are guaranteed by the Fund could give rise to UBTI. See also Section 11 – "Legal and Tax Matters – Certain Considerations for Tax-Exempt Investors."

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

Fund-level borrowing involves a number of additional risks. For example, drawing down on a credit line allows the General Partner to fund investments and pay Fund expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a credit line could cause short-term liquidity concerns for Limited Partners that would not arise had the General Partner called smaller amounts of capital incrementally over time as needed by

the Fund. This risk would be heightened for a Limited Partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Limited Partner to meet the accumulated, larger capital calls at the same time. The Fund may also utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, Limited Partners would end up with increased exposure to the underlying investment, which could result in greater losses.

10. Bridge Financing. The Fund may lend to portfolio companies on a short-term, unsecured basis or may otherwise invest in a portfolio company on an interim basis with the expectation of a subsequent refinancing or syndication. For reasons not always in the Fund's control, any such refinancing or syndication may not occur, which would result in such bridge financing or interim investment remaining outstanding longer than anticipated. In such event, the Fund would have more risk associated with such investment and a larger overall investment in such portfolio company than originally anticipated.

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

12. Changes in Investment Focus. The Fund is not restricted in terms of the percentage of its capital that can be invested in a particular industry. While this Memorandum contains a description of the types of investments that the members of the Fidelis team have historically made and information about the General Partner's expectations with respect to the Fund, many factors may contribute to changes in emphasis in the construction of the portfolio, including changes in market or economic conditions or regulation applicable to particular industries and changes in the political or social situations in particular countries. As a result, the General Partner may pursue additional investment strategies and may modify or depart from its initial investment

strategy, investment process and investment techniques as it determines appropriate. The General Partner also may pursue investments outside of the sectors or regions in which the members of the Fidelis team have previously made investments.

13. Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions. Before the Fund makes an investment, the General Partner often will conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to such investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, 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 and the facts and circumstances related thereto, and the General Partner may rely on the advice received from such third parties. Investment analyses and decisions by the General Partner will often be undertaken on an expedited basis in order for the Fund to compete for investment opportunities and/or consummate investments. In such cases, the information available to the General Partner at the time of an investment decision may be limited, and the General Partner may not have access to the detailed information necessary for a full evaluation of an investment opportunity. The due diligence investigation carried out with respect to any investment opportunity is unlikely to 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 an investment being successful or even ensure a return on invested capital.

14. Terrorist Activities. Terrorist activities, anti-terrorist efforts, armed conflicts involving the United States or its interests abroad and natural disasters may adversely affect the United States, its financial markets and global economies and could prevent the Fund from meeting its investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, acts of war or hostility and natural disasters have created many economic and political uncertainties in the past and may do so in the future, which may adversely affect the United States and world financial markets and the Fund for the short or long-term in ways that cannot presently be predicted.

15. Adequacy and Availability of Insurance; Catastrophic Events. The Fund may seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance. However, it may not always be practicable or feasible for portfolio companies to have prudent insurance and other risk management products. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation. Certain losses of a catastrophic nature, such as those caused by wars,

earthquakes, hurricanes, tornadoes, floods, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact the portfolio company's and/or the Fund's profitability. In general, losses related to terrorism are becoming harder and more expensive to insure against, and most insurers are excluding terrorism coverage from their all-risk policies. As a result, it is unlikely that any of the Fund's investments will be insured against damages attributable to acts of terrorism (or certain other losses of a catastrophic nature). If a major uninsured loss were to occur with respect to an investment, the Fund likely would lose both its capital invested in, and anticipated profits related to, such investment.

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

16. Non-U.S. Investments. The Fund may make investments in portfolio companies that are organized or headquartered or have substantial sales or operations outside the United States and its territories and possessions. Such non-U.S. investments involve certain considerations not typically associated with U.S. investments, 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 the Fund's non-U.S. investments may be denominated (including risks associated with potentially rapid inflation), and costs associated with conversion of investment principal and income from one currency into another); (ii) exposure to fluctuations in interest rates payable with respect to the instruments in which the Fund invests; (iii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (iv) differences between the U.S. and non-U.S. securities markets (including potential price volatility in, and relative illiquidity of, certain non-U.S. securities markets); (v) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those that apply to U.S.-based companies and less or more government supervision and regulation; (vi) certain economic, social and political risks (including potential exchange control regulations, restrictions on non-U.S. investment and repatriation of capital, and the risks of political, economic, governmental or social instability (including the risk of sovereign defaults, regulatory change and the possibility of expropriation or confiscatory taxation)); (vii) the possible imposition of non-U.S. taxes (including withholding taxes) on the Fund, a portfolio company and/or the Partners with respect to income, gains and gross sales or other proceeds recognized with respect to non-U.S. securities or instruments (including

the imposition of such taxes as a result of the formation by the General Partner of an alternative investment vehicle outside of the United States); (viii) the application of complex U.S. and non-U.S. tax rules to cross-border investments; (ix) possible non-U.S. tax return filing requirements for the Fund and/or certain Partners (including as a result of the formation by the General Partner of an alternative investment vehicle outside of the United States); (x) differing and potentially less well-developed or well-tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (xi) differences in the legal and regulatory environment (including enhanced legal and regulatory compliance); (xii) political hostility to investments by foreign or private equity investors; (xiii) less publicly available information; and (xiv) economic dislocation in the host country; (xv) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction and (xvi) nationalization and expropriation of private assets.

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

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

in U.S. dollars, and prospective investors in any country in which U.S. dollars are not the local currency should note that changes in the exchange rate between the U.S. dollar and such local currency may have an adverse effect on the value, price or income of an investment in the Fund. Foreign exchange regulations may be applicable to investments in certain jurisdictions. Any fees, costs and expenses incurred by a non-U.S. Limited Partner in converting its local currency to U.S. dollars in order to make capital contributions to the Fund will be borne solely by such non-U.S. Limited Partner, will be in addition to the amounts required to be contributed, and will not be part of the Commitment of such non-U.S. Limited Partner.

18. Failure of Fund to Meet Obligations. If a Limited Partner fails to pay installments of its Commitment when due, and the amount of capital contributions made by the non-defaulting Limited Partners plus any borrowings made by the Fund is inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. In such situations, the Fund would be subject to significant penalties that would materially and adversely affect returns to Limited Partners (including to non-defaulting Limited Partners).

19. Need for Follow-On Investments. Following its initial investment in a portfolio company, the Fund may determine to provide additional funds or otherwise increase its investment in such portfolio company (whether for opportunistic reasons, to fund the needs of the portfolio company, as an equity cure under applicable debt documents or for other reasons). In addition, some of the Fund's portfolio companies may require multiple rounds of additional financing. There can be no assurance that the Fund will make any follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any determination by the Fund not to make a follow-on investment or its inability to make a follow-on investment may have a substantial negative effect on a portfolio company in need of such follow-on investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such determination or inability may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company to the extent that a third party invests in such portfolio company. In the event that any co-investor who participated in the initial investment in a portfolio company does not participate in a follow-on investment in such portfolio company, such co-investor's pro rata portion of such follow-on investment may be allocated to the Fund instead. As a result, the Fund may increase its concentration with respect to such portfolio company, which likely would result in the Fund being less diversified.

20. No Independent Advice. The terms of the agreements and arrangements under which the Fund is established and will be operated have been, or will be, established by the General Partner and are not the result of arm's-length negotiations or representations of the Limited Partners by separate counsel. Prospective investors should, therefore, seek their own legal, tax and financial advice before making an investment in the Fund.

21. Accuracy of Public Information. The Management Company likely will select investments for the Fund based, in part, on information and data filed by issuers with various government regulators or made directly available to the Management Company by the issuers or through other sources. The Management Company generally evaluates all such information and data, seeking independent corroboration only when it considers it appropriate and when it is reasonably available. However, the Management Company cannot confirm the completeness, genuineness or accuracy of such information and data. Moreover, in some cases, complete and accurate information is unavailable. If information is inaccurate, investments may not perform as expected.

General Market Risks

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

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

The ultimate impact of COVID-19 and the resulting precipitous decline in economic and commercial activity across almost all of the world’s largest economies, on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential

additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible. The extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained and economies are able to "re-open," it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Fund. The extent of the impact on the Fund's and its portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Fund, its portfolio companies, the General Partner, the Management Company and their affiliates may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

23. General Economic and Market Conditions. The state of the private equity industry, generally, and the success of the Fund's investment activities, specifically, will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls and U.S. and international political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the General

Partner. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Fund and may affect the Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Fund's investments and could have a negative impact on the performance and/or valuation of the Fund's portfolio companies. The Fund's performance can be affected by deterioration in the capital markets and by market events, including events similar to the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples that are frequently used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Fund to sell and/or partially dispose of its investments. Such adverse effects may include the requirement of the Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Fund's ability to obtain funding to support its investment objective. Any of the foregoing events could result in substantial or total losses to the Fund in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's capital structure.

24. Uncertain Economic, Social and Political Environment. The global economic and political climate can be uncertain. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic change or unrest. A rapid or significant erosion of confidence likely would result in a deterioration of credit markets and/or lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and generally will increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections.

25. Significant Developments Stemming From the U.S. Administration. Public comments by key personnel within, and actions taken by, the current U.S. presidential administration have suggested that it is not supportive of certain existing international trade agreements. The United States has taken action to withdraw from and/or modify a number of such agreements, including the North American Free Trade Agreement, which has been replaced by the "U.S.-Mexico-Canada Agreement." Further, the current

presidential administration has announced the withdrawal of the U.S. from certain proposed trade agreements, like the Trans-Pacific Partnership, has supported greater restrictions on trade generally and has implemented significant increases on tariffs on goods imported into the United States, with particular impacts on goods imported from China.

The trade relationship between the U.S. and China has been a particularly contentious area of focus for the current presidential administration. Following the imposition of significant tariff increases on goods imported into the United States from China, in October 2018, the current presidential administration announced plans to withdraw the U.S. from a 192-nation treaty that gives Chinese companies discounted shipping rates for small packages sent to U.S. consumers, further escalating the economic confrontation. Following a temporary trade truce, negotiations between the two countries deteriorated, with each country imposing further rounds of tariffs on domestic imports from the other country. At this time, it remains unclear whether a final trade deal will be struck between the two countries and, if so, the specifics of such deal and its effects on the broader geopolitical environment and global economic stability.

It is also unclear what further actions the current presidential administration may take with respect to trade agreements, individual companies or countries, including whether and when the scope of additional tariffs on imports into the U.S. may be increased if a trade deal is not reached. If the current presidential administration takes action to withdraw from or materially modify any international trade agreements, to implement greater restrictions on free trade, and/or to increase tariffs or duties, other countries may respond to such actions with similar actions (e.g., by imposing tariffs on U.S. imports), thereby adversely affecting the business, financial condition and performance of certain of the Fund's portfolio companies.

The General Partner also cannot predict how other countries will respond to the current presidential administration's actions. For example, whether legislation or regulations that would have adverse impacts on the Fund or its investments may be passed in other jurisdictions in response or related to any measures that may be imposed by the current presidential administration, including the imposition of tariffs on U.S. goods imported into such jurisdictions, increased inspections on U.S. companies, delays on approvals for mergers and acquisitions involving U.S. companies, preferential treatment of non-U.S. companies, media campaigns against U.S. companies and/or goods, and delays on license approvals in such jurisdictions. Moreover, social media (including the current presidential administration's use of social media) has the potential to influence public sentiment and escalate tensions around international relations, which could negatively impact stock markets and economies around the globe and the Fund's investments.

The General Partner also cannot predict whether any of the countries in which the products of the Fund's portfolio companies may be manufactured in the future will be subject to trade restrictions imposed by the U.S. or foreign governments or the likelihood,

type or effect of any such restrictions. Any event causing a disruption or delay of imports from foreign suppliers, including the imposition of additional import restrictions, restrictions on the transfer of funds or increased tariffs or quotas, could increase the cost or reduce the supply of goods or merchandise available to the portfolio companies and materially adversely affect the business operations and performance of the Fund's investments. Furthermore, some or all of the portfolio companies' foreign operations may be adversely affected by political and financial instability, resulting in the disruption of trade from exporting countries, restrictions on the transfer of funds or other trade disruptions.

The current presidential administration has also indicated its intention to direct federal agencies to proceed with deregulating the financial services industry through a series of executive actions. However, such actions have been and may continue to be subject to judicial and/or congressional scrutiny and even if implemented, may be replaced by regulatory actions at the state level. While there can be no assurance that the current presidential administration will be successful in implementing such actions, any measures that are implemented in connection therewith may result in material changes to the regulations and may impact the business operations and performance (even adversely) of the Fund's investments.

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

The outcome of any future U.S. federal election and changes in the control of the U.S. federal legislative and executive branches during the Fund's term could result in potential changes in laws and regulations affecting the private equity industry, which could negatively impact the performance of the Fund's investments. The likelihood of occurrence and the effect of any such change is highly uncertain and could have an adverse impact on the Fund and the Fund's investments.

26. Deterioration of Credit Markets. The ability of the Fund and the portfolio companies to effectively execute their respective strategies will depend on the health of the U.S. and global credit markets. In the event that, as a result of an economic downturn or otherwise, credit markets deteriorate and it becomes more difficult for investment funds (including the Fund) to obtain favorable financing for investments, the Fund's ability to consummate investments may be adversely affected, one effect of which may be a slower-than-anticipated rate of capital deployment by the Fund. A persistent credit market deterioration may result in limited availability of credit to consumers,

homeowners and/or businesses, which may lead to an overall weakening of the U.S. economy and/or global economies. In such a situation, portfolio company performance may decline and/or the value of portfolio companies may be diminished. As a result, the Fund's ability to realize its investments at favorable times and/or for favorable prices may be negatively impacted, one effect of which may be longer-than-anticipated holding periods for investments. Accordingly, a deterioration in credit markets may negatively affect the Fund's ability to achieve its investment objectives and/or generate attractive returns for Limited Partners.

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

28. Labor Matters. Certain portfolio companies may have a unionized work force and/or employees who are covered by a collective bargaining agreement, which would directly or indirectly subject a portfolio company to complex laws, rules and regulations as well as to labor relations disputes or difficulties generally. Business operations at one or more facilities or sales processes may be interrupted as a result of work stoppages and delays in the process of renegotiating collective bargaining agreements. For example, sales processes in Europe may be disrupted or otherwise impacted by negotiations involving European Works Councils.

Investment Structuring and Legal Risks

29. Control Person Liability. The Fund is expected to have controlling interests in a number of the portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, cartel and/or antitrust issues, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including sanctions and securities laws and regulations) and other types of liability, for which the limited liability generally afforded to investors may be ignored. In particular, if determined to be a direct owner or operator of any of a portfolio company's facilities or operations, the Fund could face strict, joint and several liability under environmental laws for hazardous substance or

contamination-related costs. If any such liabilities were to arise, the Fund may suffer significant losses. While the General Partner intends to manage the Fund in a manner that will minimize the exposure of such risks, the possibility of successful claims against the Fund and/or its affiliates cannot be precluded.

30. Director Liability. The General Partner expects that the Fund often will seek to obtain the right to appoint one or more representatives to the boards of directors (or similar governing bodies) of the portfolio companies (each, a “Board Representative”). In those instances where the Fund is not the sole equity owner of the applicable portfolio company, a Board Representative may have duties to persons other than the Fund. In general, Board Representative positions are expected to be important to the Fund’s investment strategy and may have the effect of enhancing the ability of Fidelis to manage investments. However, such positions may have the effect of impairing the ability of Fidelis to cause the Fund to sell the related securities when and upon the terms it may otherwise desire. In addition, such positions may place Fidelis in a position where it must make a decisions that is either not in the best interests of the Fund or not in the best interests of the shareholders of the portfolio company. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Board Representative, and ultimately the Fund, to potential liability. Portfolio companies may not obtain insurance coverage with respect to such liability, or the insurance coverage that portfolio companies do obtain may be insufficient to adequately protect against such liability. In addition, involvement in any litigation related to such liability may be time consuming and may divert the attention of affected persons from the Fund’s investment activities.

31. Active Management. The Fund may, in certain circumstances, take majority positions, which may be 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 the Fund, any relevant contractual arrangements between a portfolio company and the Fund, and other relevant factual circumstances, such majority position could result in an extension of the ninety-day bankruptcy preference period to one year with respect to payments made to it. In addition, because of its equity ownership, representation on the board of directors, and/or contractual rights, the Fund may often be thought to control, participate in the management of or influence the conduct of such portfolio companies. This could expose the assets of the Fund to claims by such portfolio company, its other security holders, its creditors or governmental agencies. In addition, investments alongside other investors, including in the event the Fund holds a majority position in such portfolio company, may involve certain additional risks not present in investments where a third party is not involved. Please see “Non-Controlling Investments” below for additional detail on such risks.

32. Unfunded Pension Liabilities of Portfolio Companies. A court decision found that, in certain circumstances, an investment fund could be treated as a “trade or business” for purposes of determining pension liability under ERISA. Therefore, where an investment

fund owns 80% or more (or possibly, under certain circumstances, less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. The Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund may own an 80% or greater interest in such a portfolio company. If the Fund (or other 80%-owned portfolio companies of the Fund) were deemed to be liable for such pension liabilities, this likely would have a material adverse effect on the operations of the Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statutes and regulations regarding control group liability under ERISA, as in effect as of the date of this Memorandum, which may change in the future as the case law and guidance develop.

33. Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, the Fund and/or the General Partner may be required to make (and/or be responsible for another person's breach of) certain representations and warranties (e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses) and may be responsible for the content of disclosure documents under applicable securities laws. The Fund and/or the General Partner also may be required to indemnify the purchasers or underwriters of such investment to the extent that any such representations or disclosure documents are inaccurate. Such arrangements may result in contingent liabilities, which would be borne by the Fund and, ultimately, the Partners. In such a situation, the Partners may be required to return distributions received by them to pay such indemnification obligations, subject to certain limitations provided in the Partnership Agreement. Furthermore, under the Exempted Limited Partnership Law of the Cayman Islands (as amended) (the "ELP Law"), each Limited Partner that receives an improper distribution to the extent prohibited by the ELP Law, will, under certain circumstances, be obligated to re-contribute such distribution to the Fund or any alternative investment vehicle, as applicable.

34. Over-Commitment. In order to facilitate an investment in a company, the Fund may make or commit to make an investment in such company with a view to selling a portion of such investment to co-investors or other persons prior to or within a brief period after the closing of such investment. In such a situation, the Fund will bear the risk that any or all of such portion of such investment may not be sold or may only be sold on unattractive terms. As a consequence, the Fund may bear the entire portion of any reverse break-up or termination fees or other fees, costs and expenses related to such investment, hold a larger than expected investment in such company or realize lower than expected returns from such investment.

35. Multi-Step Transactions. In the event the Fund determines to effect an investment in a portfolio company by means of a multi-step transaction (e.g., a first-step

cash tender offer, a stock purchase followed by a merger or a simultaneous acquisition and concurrent merger of two separate companies), there can be no assurance that the remainder of such portfolio company can be successfully acquired. As a result, the Fund may acquire only partial control over such a portfolio company or partial access to its cash flows to service any debt incurred in connection with its acquisition.

36. Litigation. The Fund's business and investment activities expose the Fund, the General Partner, Fidelis and their respective affiliates generally to the risk of third-party litigation. Accordingly, in the ordinary course of its business, the Fund may be subject to litigation from time to time. Under the Partnership Agreement, the Fund generally will be responsible for indemnifying the General Partner and certain other persons for costs they may incur with respect to such litigation. The outcome of litigation proceedings may materially and adversely affect the value of the Fund, and such litigation may continue without resolution for extended periods of time. Additional regulation could also increase the risks of third-party litigation. Any litigation may consume substantial amounts of the General Partner's and the Founders' time and attention, and such time and attention, as well as the devotion of other resources, spent in connection with such litigation may, at times, be disproportionate to the amounts at stake in such litigation.

Risks Associated with the Fund's Investments

37. Nature of Infrastructure Investments. Investment in infrastructure assets involves many relatively unique and acute risks. Project revenues can be affected by a number of factors, including economic and market conditions, political events, competition, regulation and the financial position and business strategy of customers. Unanticipated changes in the availability or price of inputs necessary for the operation of infrastructure assets may adversely affect the overall profitability of a portfolio company investment or related project. Events outside the control of a portfolio company, such as political action, governmental regulation, demographic changes, economic conditions, increasing fuel prices, government macroeconomic policies, political events, toll rates, social stability, competition from untolled or other forms of transportation, natural disasters (such as fire, floods, earthquakes and typhoons), changes in weather, changes in demand for products or services, bankruptcy or financial difficulty of a major customer and acts of war or terrorism and other unforeseen circumstances and incidents could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring infrastructure facilities. In turn, this may impair a portfolio company's ability to repay its debt, make distributions to the Fund or even result in termination of an applicable concession or other agreement. As a general matter, the operation and maintenance of infrastructure assets or businesses involve various risks and are subject to substantial regulation (as described below), many of which may not be under the control of the owner/operator, including labor issues, failure of technology to perform as anticipated, structural failures and accidents and the need to comply with the directives of government authorities. Although portfolio companies may maintain insurance to protect against certain risks, where available on reasonable commercial

terms (such as business interruption insurance that is intended to offset loss of revenues during an operational interruption), such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all of a portfolio company's losses. Furthermore, once infrastructure assets of a portfolio company become operational, they likely will face competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on governmental plans and policies.

38. Governmental and Regulatory Risks Generally. Infrastructure investments are subject to substantial government regulation and governments have considerable discretion to implement regulations that affect the business of infrastructure investing. In many instances, the operation or acquisition of infrastructure assets involves an ongoing commitment to or from a governmental agency, and the operation of infrastructure assets often relies on government permits, licenses, concessions, leases or contracts. The nature of these obligations and dependencies expose the owners of infrastructure assets to a higher level of regulatory control than typically imposed on other businesses, resulting in government entities having significant influence over such owners and companies.

Where a portfolio company holds a concession or lease from the government, the concession or lease may restrict the portfolio company's ability to operate the business in a way that maximizes cash flows and profitability. There is a risk that national, provincial or local authorities with whom a portfolio company may not be able to honor their obligations under a concession agreement, especially over the long term. The lease or concession may also contain clauses more favorable to the government counterparty than a typical commercial contract. For instance, the lease or concession may enable the government to terminate the lease or concession in certain circumstances without requiring payment of adequate compensation.

In addition, governmental entities may exercise their discretion to change or increase regulation of the operations of portfolio companies or to implement laws, regulations or policies affecting their operations, separate from any contractual rights that the government counterparties may have, in a manner that causes delays or adversely affects the operation of the business of such portfolio companies and/or the Fund's ability to effectively achieve its investment objectives. Moreover, governmental entities may be influenced by political (rather than just economic) considerations when exercising such discretion.

39. Regulatory Approvals/Consents. The Fund may not receive the initial regulatory approval or license needed to acquire or otherwise operate a portfolio company, including after substantial costs have been incurred pursuing an investment in such portfolio company. Additional or unanticipated regulatory approvals, including renewals, extensions, transfers, assignments, reissuances or similar actions, may be required to acquire or operate infrastructure assets, and additional approvals may become applicable in the future due to a change in laws and regulations, a change in the portfolio company's

customer(s), change in investor composition in the Fund or for other reasons. Furthermore, permits or special rulings may be required on taxation, financial and regulatory related issues. Additionally, a portfolio company could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. There can be no assurance that a portfolio company will be able to (i) obtain all required regulatory approvals that it does not yet have or that it may require 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 third parties or could result in additional costs to a portfolio company and the Fund.

A portfolio company's operations may rely on government licenses, concessions, leases or contracts that are generally complex and may result in a dispute over interpretation or enforceability. Even though most permits and licenses are obtained prior to the commencement of full project operations, many of these licenses and permits are required to be maintained over the project's life. If a portfolio company fails to comply with these regulations or contractual obligations, it could be subject to monetary penalties or the Fund may lose its right to operate the affected portfolio company, or both.

Governments and other regulators may impose conditions on the operations and activities of portfolio companies as a condition to granting its approval or to satisfy regulatory requirements. These conditions, which may be statutory in nature or may be tailored to a particular project, may limit or provide a disincentive for portfolio companies to invest in competing industries or to acquire anticompetitive market power in a particular market. The relevant governmental agency may impose conditions of ongoing ownership or equivalent restrictions on the Fund in respect of the underlying infrastructure assets. This may include a requirement and/or restrictions that may limit the ability of the Fund to dispose of investments at opportune times or require that such assets remain managed by Fidelis.

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

investments and therefore have a material adverse effect on the amount of funds available for distribution to Limited Partners.

Present, and future, statutes, rules and regulations could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect the Fund's investments and the prospects of the Fund. There can be no assurance that (i) existing regulations applicable to investments generally or the portfolio companies will not be revised or reinterpreted, (ii) new laws and regulations will not be adopted or become applicable to the portfolio companies, (iii) the technology and equipment selected by portfolio companies to comply with current and future regulatory requirements will meet such requirements, (iv) portfolio companies business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws, rules and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws, rules and regulations, or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies.

Further, environmental laws, rules, regulations and regulatory initiatives play a significant role in the infrastructure industry and can have a substantial impact on investments in the industry. For example, global initiatives to minimize pollution 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 sectors of the industry. The infrastructure industry will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. The Fund may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements. New and more stringent environmental and health and safety laws, rules, regulations and permit requirements or stricter interpretations of current laws, rules or regulations could impose substantial additional costs on portfolio companies and potential portfolio companies. 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, rules, regulations and permit requirements. Past practices or future operations of portfolio companies could also result in material personal injury or property damage claims. Under certain circumstances, environmental authorities and other parties may seek to impose personal

liability on the limited partners of a partnership (such as the Fund) subject to environmental liability.

41. Independent Contractors. Independent contractors typically are used in developing, operating and maintaining infrastructure assets. In periods of high commodity prices, demand for such contractors may exceed supply, resulting in increased costs or lack of availability of key contractors. Disruptions of operations or increased costs also can occur as a result of disputes with contractors or a shortage of contractors with particular capabilities. Additionally, the General Partner, the Management Company and Kraken will not have the same control over portfolio company personnel as they may have over their own employees, and there is a risk that such portfolio company personnel will not operate in accordance with their own safety standards or other policies. Any of the foregoing circumstances could have a material adverse effect on the companies in which the Fund invests, and ultimately the Fund's operating results and cash flows.

42. Reliance on Third-Party Projects. The Fund may invest in portfolio companies that are directly or indirectly dependent on the completion, operation and/or performance of other third party-managed projects, including in the supply or development chain, such as transportation, power transmission, and/or pipeline projects ("other projects"), over which Fidelis has no involvement, influence or control. Such dependence on third parties presents risks, including that third parties may be unable (or delayed as they seek) to procure necessary permits or governmental approvals for the other projects, or that the other projects otherwise will be unsuccessful or not completed within their expected timeframe or at all based on one more of the risk factors set forth herein. Delays with respect to other projects, or the inability of third parties to successfully complete and operate other projects upon which a Fund portfolio company is dependent will negatively impact the ability of the Fund portfolio company to perform as anticipated at the time of the Fund's investment, and likely will result in losses to such portfolio company, and therefore negatively impact the Fund returns.

43. Demand/Usage Risk. Demand, usage and throughput risk can affect the performance of infrastructure assets. Demand, usage and throughput depend on, and may be affected by, a wide variety of factors, such as demographic changes, economic conditions, fuel prices, government macroeconomic policies, tolls, tariffs, other usage or throughput-related fees, social stability, political or local opposition, technical obsolescence, competition from untolled or other forms of transportation, acts of God, war, terrorism, changes in demand for products or services, slower than projected construction progress and adverse weather conditions. To the extent that the Fund's assumptions regarding demand, usage and throughput prove incorrect, returns to the Fund could be adversely affected. Some investments may be subject to seasonal variations, including greater revenues and profitability during different seasons of the year. Accordingly, the Fund's operating results for any particular investment in any particular quarter may not be indicative of the results that can be expected for that investment throughout the year.

44. Operations and Maintenance Risk. As a general matter, the operation and maintenance of infrastructure assets involve significant capital expenditures and various risks, many of which may not be under the control of the owner/operator, including labor issues, political or local opposition, failure of technology to perform as anticipated, technical obsolescence, increasing fuel prices, structural failures and accidents, environment related issues, counterparty non-performance and the need to comply with the directives of government authorities. Optional or mandatory improvements, upgrades or rehabilitation of infrastructure assets may cause delays or result in closures or other disruptions subjecting the portfolio company to various risks including lower revenues. The operations of infrastructure projects are exposed to unplanned interruptions caused by significant catastrophic events, such as cyclones, earthquakes, landslides, floods, explosions, fires, terrorist attacks, major plant breakdowns, pipeline or electricity line ruptures or other disasters. Operational disruption, as well as supply disruption, could adversely impact the cash flows available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in permanent loss of customers, substantial litigation or penalties for regulatory or contractual non-compliance. Moreover, any loss from such events may not be recoverable under relevant insurance policies. Business interruption insurance is not always available, or economic, to protect the business from these risks.

45. Volatility of Commodity Prices. The performance of certain of the Fund's portfolio companies may be substantially dependent upon prevailing prices of oil, natural gas, coal, metals and other commodities and the differential between prices of specific commodities that are a primary factor in the profitability of certain conversion activities such as petroleum refining ("crack spread") and power generation ("spark spread"). For example, the operation and cash flows of one or several the Fund's portfolio companies may depend, in some cases to a significant extent, upon prevailing or improving market prices for energy and other commodities. Commodity prices have been, and may in the future be, volatile and subject to wide fluctuations (as evidenced by the most recent drastic precipitous decline in the price of oil in the first quarter of 2020 and, previously, in 2019 and throughout 2015 and early 2016) in response to uncertain market factors that are beyond the control of the Fund, the General Partner, the Management Company and Kraken, including (i) relatively minor changes in the supply of and demand for such commodities; (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 commodity producing regions; (iv) the extent of domestic production and importation of oil, natural gas, natural gas liquids, coal or metals in certain relevant markets; (v) the foreign supply of oil, natural gas and metals; (vi) the price of foreign imports; (vii) the price and availability of alternative fuels; (viii) the level of consumer demand; (ix) the price of steel and the outlook for steel production; (x) weather conditions; (xi) the competitive position of energy-related commodities as compared with other energy sources; (xii) the industry-wide refining or processing capacity for energy-related commodities; (xiii) weather conditions; (xiv) the effect of U.S. and non-U.S. federal, state and local regulation

on the production, transportation and sale of commodities; (xv) overall economic conditions; (xvi) the strength of the U.S. dollar relative to other currencies; (xvii) terrorist acts and the impact of military and other action; and (xviii) a variety of additional factors that are beyond the control of Fidelis or the Fund. These factors may affect the level and volatility of commodities prices and the liquidity of the Fund's portfolio companies, which could impair the Fund's performance or result in losses.

46. Health and Safety Risk. The employees and staff of infrastructure assets and businesses are exposed to health and safety risks that could result in death, permanent disability or other serious injury that may disrupt the operations of portfolio companies, lead to economic loss, litigation or penalties for regulatory or contractual non-compliance, and may also adversely impact the reputation of portfolio companies, the Fund and its Limited Partners. Moreover, any loss from such events may not be recoverable under relevant insurance policies.

47. Environmental Risk. Infrastructure assets may be subject to numerous statutes, rules, and regulations relating to environmental protection, and international, national and local environmental laws and regulation affect the operations of infrastructure projects. The Fund may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations, and permit requirements, and there can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. Standards are set by these laws and regulations regarding certain aspects of health and environmental quality, and they provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, joint and several obligations to remediate and rehabilitate current and former facilities and locations where operations are, or were, conducted or where materials were disposed of. In addition, clean-up liabilities can arise under environmental laws and regulations, including on a strict, joint and several basis, which presents a risk of a portfolio company paying for more than its fair share of clean-up costs associated with a contaminated property. For example, the Fund may have such potential liability under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, as a current or former owner or operator of a facility at which hazardous substances have been released and/or as a generator or transporter of hazardous substances disposed of at other locations. 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. Required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the industry. Certain industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. 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 detrimental impact on the financial performance of infrastructure projects. 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. Any noncompliance with these laws and regulations could subject the Fund and its properties to material penalties or other liabilities. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as the Fund) subject to environmental liability.

In addition, ordinary operation or the occurrence of an accident with respect to an infrastructure asset could cause major environmental damage, which may result in significant financial distress to such asset if not covered by insurance, and, even if covered by insurance, may have a detrimental effect on the applicable portfolio company and/or the Fund, resulting from adverse publicity related to such an incident and other similar results. In addition, persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

Furthermore, the Fund may be exposed to substantial risk of loss from environmental claims arising from certain of its infrastructure investments involving undisclosed or unknown environmental, health or other problems or inadequate reserves or insurance for previously identified matters, as well as from occupational safety issues and concerns. Certain environmental laws and regulations may require that an owner or operator of an asset address prior environmental contamination, which could involve substantial cost. Such laws and regulations often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of environmental contamination. Under certain circumstances, U.S. courts have held that a parent company is responsible for the environmental clean-up obligations of its subsidiary imposed by applicable laws. In the event that the Fund is the parent of a portfolio company with such obligations, a U.S. court or a court of any other applicable jurisdiction might find that the Fund is liable for such obligations. Environmental claims with respect to a specific investment may exceed the value of such investment. Moreover, community and environmental groups may protest the development or operation of infrastructure assets which may induce government action to the detriment of the Fund. Some of the most onerous environmental requirements regulate air emissions of pollutants and greenhouse gases; these requirements may particularly affect companies in the energy sector.

Additionally, as consensus builds that global warming is a significant threat, initiatives seeking to address climate change through regulation of greenhouse gas emissions have been adopted by, are pending or have been proposed before international, federal, state

and regional regulatory authorities. Many industries (e.g., electrical power, mining, manufacturing, transportation and insurance) face various climate change risks, many of which could conceivably materially impact them. Such risks include (i) regulatory/litigation risk (e.g., changing legal requirements that could result in increased permitting and compliance costs, changes in business operations, the discontinuance of certain operations and related litigation); (ii) market risk (e.g., declining market for products and services seen as greenhouse gas intensive); and (iii) physical risk (e.g., risks to plants or property owned, operated or insured by a company posed by rising sea levels, increased frequency or severity of storms, drought and other physical occurrences attributable to climate change). These risks could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities once undertaken, any of which could have an adverse effect on the Fund.

48. Revenue Off-take Agreements. Portfolio companies are expected to seek to enter into revenue off-take agreements, including power purchase agreements, tolling agreements, lease agreements and other forms of revenue off-take agreements (the “Off-take Agreements”). Obtaining adequate Off-take Agreements is generally expected to be a condition for a project to proceed to construction and/or through other stages of development, and therefore, any inability to obtain adequate Off-take Agreements will limit Fidelis’ ability to carry out its investment thesis for the applicable project. There can be no assurance that sufficient Off-take Agreements will be obtained or, if eventually obtained, that they will be obtained within the desired schedule. In addition, payments by counterparties pursuant to their respective Off-take Agreements may provide the majority of a portfolio company’s cash flows. There can be no assurance that any or all of the counterparties will fulfill their obligations under the Off-take Agreements or that a counterparty will not become bankrupt or that upon any such bankruptcy its obligations under the Off-take Agreements will not be rejected by a bankruptcy trustee. There are additional risks relating to the Off-take Agreements, including the occurrence of events beyond the control of a counterparty that may excuse it from its obligation to accept and pay for delivery of such product by a company. The failure of a counterparty to fulfill its obligations under any Off-take Agreement or the termination of any Off-take Agreement may have a material adverse effect on a portfolio company. Additionally, entering into Off-take Agreements may limit Fidelis’ ability to participate in positive market developments.

49. Power Purchase Agreement Risk. Portfolio companies may enter into power purchase agreements (“PPAs”). Payments by power purchasers to such companies pursuant to their respective PPAs may provide the majority of such companies’ cash flows. There can be no assurance that any or all of the power purchasers will fulfill their obligations under their PPAs or that a power purchaser will not become bankrupt or that upon any such bankruptcy its obligations under its respective PPA will not be rejected by a bankruptcy trustee. There are additional risks relating to the PPAs, including the occurrence of events beyond the control of a power purchaser that may excuse it from its obligation to accept and pay for delivery of energy generated by a company. The

failure of a power purchaser to fulfill its obligations under any PPA or the termination of any PPA may have a material adverse effect on a portfolio company.

50. Greenfield Investments. Like any other business, the viability of an infrastructure asset is reliant on the revenue, costs and profitability of that asset. Variability in any of these factors will affect the value of an investment. These risks are particularly acute for greenfield investments that lack established revenue and profitability track records. Further, investments in greenfield infrastructure assets may result in exposure to the risk that construction will not be completed on time, within budget or to specifications. Similar risks may also apply to operational assets in relation to any development works conducted. The revenue and cost implications of this risk may adversely impact the value of an investment. Greenfield Investments also present unique and potentially opaque regulatory and permitting risks that may prevent or delay project execution.

51. Construction Risk. In connection with any new development project (i.e., a “greenfield” project), expansion of a facility or acquisition of a facility in late-stage development, a portfolio company may also face construction risks typical for infrastructure businesses, including (i) political opposition, regulatory and permitting delays, (ii) labor disputes, lawsuits and other disputes, (iii) shortages of material and skilled labor or work stoppages, (iv) slower than projected construction progress and the unavailability or late delivery of necessary equipment, (v) delays in procuring real property rights, (vi) failure by one or more of the investment participants to perform in a timely manner (or at all) its or their contractual, financial or other commitments, (vii) less than optimal coordination with public utilities in the relocation of their facilities, (viii) adverse weather conditions and unexpected construction conditions, (ix) accidents or the breakdown or failure of construction equipment or processes and (x) environmental issues and catastrophic events such as explosions, fires and terrorist activities and other similar events beyond the Fund’s control. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken, any of which could have an adverse effect on the Fund and on the amount of funds available for distribution to the Limited Partners. Construction costs may exceed estimates for various reasons, including inaccurate engineering and planning, labor and building material costs in excess of expectations and unanticipated problems with project start-up. Such unexpected increases may result in increased debt service costs and funds being insufficient to complete construction. Such increases may also result in the inability of project owners to meet the higher interest and principal repayments arising from the additional debt required. Delays in project completion can result in an increase in total project construction costs through higher capitalized interest charges and additional labor and material expenses and, consequently, an increase in debt service costs and insufficient funds to complete construction. Delays may also result in an adverse effect on the scheduled flow of project revenues necessary to cover the scheduled operations phase debt service costs, lost opportunities, increased operations and maintenance expenses and damage payments for late delivery. Investments under development or 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. In addition, there are risks inherent in the construction work that may give rise to claims or demands against a portfolio company from time to time.

52. Transportation and Storage Risks. There are a variety of hazards and operating risks inherent to the transportation, relocation and storage of equipment, raw materials, waste materials and other hazardous, radioactive and explosive materials, such as leaks, releases, explosions, mechanical problems and damage caused by portfolio companies and/or third parties. Additional risks to vessels include adverse sea conditions, capsizing, grounding and navigation errors. These risks could result in serious injury and loss of human life, significant damage to property and natural resources, environmental pollution and impairment of operations, any of which also could result in substantial financial losses. For assets located near populated areas, including residential areas, commercial business centers, industrial sites and other public gathering areas, the level of damage resulting from these risks may be greater. Failure of a portfolio company to properly handle, transport or dispose of these materials or otherwise conduct its operations in accordance with applicable environmental laws may negatively impact the revenues and cash flows of a portfolio company and expose the portfolio company to substantial liability for administrative, civil and criminal penalties, cleanup and site restoration costs and liability associated with releases of such materials, damages to natural resources and other damages, as well as potentially impair its ability to conduct operations. In addition, losses in excess of a portfolio company's insurance coverage could have an adverse effect on its business, financial condition and results of operations.

53. Inflation Risk. If a portfolio company is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Many of the Fund's portfolio companies may have revenues linked to some extent to inflation, including by government regulations and contractual arrangement. As inflation rises, a portfolio company may earn more revenue but may incur higher expenses. As inflation declines, a portfolio company may not be able to reduce expenses commensurate with any resulting reduction in revenue. Many infrastructure businesses rely on concessions to mitigate the inflation risk to cash flows through escalation provisions linked to the inflation rate. While these provisions may protect against certain risks, they do not protect against the risk of a rise in real interest rates, which is likely to create higher financing costs and may reduce the amount of levered, after-tax cash flow generated by an investment.

54. Development Risk. Successful development of new or expansion projects may require the involvement of a broad and diverse group of stakeholders who will either directly influence or potentially be capable of influencing the nature and outcome of the project. Such characteristics may include political or local opposition, receipt of regulatory approvals or permits, site or land procurement, environment-related issues,

construction risks and delays, labor disputes, counterparty non-performance, project feasibility assessment and dealings with and reliance on third-party consultants. When making an investment, value may be ascribed to potential development projects that do not achieve successful implementation, potentially resulting in a lower than expected returns to the Fund.

55. Public Demand, Usage and Patronage Risk. The Fund may not be able to eliminate demand, usage, and patronage risks in connection with its activities. To the extent that the General Partner's assumptions regarding the demand, usage, and patronage of assets prove incorrect, one or more portfolio companies' and/or the Fund's overall profitability could be adversely affected. Also, some portfolio companies may be subject to seasonal variation. Accordingly, the operating results for certain portfolio companies in any particular quarter may not be indicative of the results that can be expected for such portfolio company throughout the entire year.

56. Implementation of Business Plans and Growth Initiatives; New Regulatory Developments. In certain cases, the performance of the Fund's investments will be dependent upon Fidelis' ability to successfully implement and execute its business plans and growth initiatives. There can be no assurance that Fidelis will be able to successfully implement any such business plans or that investors will receive any capital appreciation or current cash yield with respect to the Fund's investments.

In addition, changes beyond Fidelis' control, including adverse regulatory changes affecting the infrastructure industry generally or the Fund's portfolio companies in particular and/or any changes in the pricing of commodities and/or general supply and demand levels relating to infrastructure assets may adversely affect Fidelis' ability to implement its business plans and achieve capital appreciation and/or current cash yield and may have an adverse impact on the value of the Fund's portfolio companies.

57. Interest Groups and Legal Risk. Infrastructure assets, businesses and projects often involve a significant impact on local communities and the surrounding environment. It is not uncommon for infrastructure assets to be exposed to a variety of legal risks including, but not limited to, legal action from special interest groups. For example, interest groups may use legal processes to seek to impede particular projects to which they are opposed.

58. Ability to Exit Investments. Individual investments in infrastructure assets may have unique geographic and market characteristics (and may be subject to political, regulatory and public opinion considerations), which could make them highly illiquid. In addition, the Fund's investment may be quite sizeable. There are limited pools of capital available in the sector that can make sizeable investments and limited numbers of market participants. As a result, the potential exits from the investment may be limited and there can be no assurance that the Fund will be able to realize its investment on favorable terms, in a timely manner or at all. Moreover, the realizable value of a highly illiquid investment may be less than its intrinsic value. Before such time, there may be no current

return on such investment, and the expenses of operating the Fund (including the Management Fee) may exceed the Fund's income, thereby requiring that the difference be paid from the Fund's capital (including the aggregate unfunded Commitments).

59. Political and Societal Challenges. Large-scale infrastructure projects may be particularly susceptible to political and societal challenges, which may, in turn, affect a project's ability to receive, renew or maintain required permits or approvals and may result in increased compliance costs, the need for additional capital expenditures or a suspension of project operations. For example, proposals to site a particular infrastructure project, such as a bridge, airport or energy plant, or engage in activities relating to a project, such as drilling activities in a particular location, may be challenged by a number of parties, including non-governmental organizations and special interest groups based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts. Concerns can also arise regarding some of the techniques used in the extraction of natural resources relating to an infrastructure project, such as the extraction of shale gas in order to enhance recovery, such as the use of natural gas hydraulic fracturing (also known as "fracking"), which may require governmental permits or approvals and which have recently been the subject of heightened environmental concerns and public opposition in some jurisdictions.

60. Governmental Budgetary Constraints; Reforms. The success of public infrastructure projects is often dependent on governmental funding or subsidies. Governments typically have considerable discretion in determining the amount of funding or subsidies to allocate to such public infrastructure projects. Lack of governmental funding or subsidies due to governmental budgetary constraints could adversely impact the overall development and availability of public infrastructure projects, result in privatization of certain types of assets and/or otherwise result in an increase in competition among other providers of capital (e.g., private infrastructure investors) for such infrastructure assets, which may make it more difficult for the Fund to effectively consummate investments in or relating to such infrastructure projects. Despite ongoing underinvestment in infrastructure in target geographies, the government may elect not to fund such underinvestment with private capital. Alternatively, the Fund's success will also be driven in part, by its ability to source and invest in private infrastructure projects. The availability of such private infrastructure projects may be highly dependent on governmental determinations to continue with, or implement, announced reforms regarding the means by which infrastructure construction is regulated or financed. As such, there can be no assurance that such private infrastructure projects will be available for investment on terms which the Fund deems favorable.

61. Rate Regulation. Infrastructure assets may be subject to rate regulation by government agencies because of their unique position as the sole or predominant provider of services that are essential to the community. As a result, portfolio companies might be subject to unfavorable price regulation by government agencies, which could adversely affect the overall profitability of any particular infrastructure project subject to

such rate regulation. For instance, some portfolio companies may derive substantially all their revenues from collecting tolls from vehicles using roads, tunnels or bridges or from fares relating to subways or other forms of public transportation.

Toll rates are typically set by the relevant concession company and the relevant government entity. Adverse public opinion, socioeconomic changes and/or lobbying efforts by specific interest groups, could result in governmental pressure on portfolio companies to reduce their toll rates, forego planned rate increases and/or exempt certain classes of users from tolls. In the future, the relevant government bodies may seek to limit portfolio companies' ability to increase, or may seek to reduce, toll rates or fares outside the scope of the respective concession agreements, as a result of factors such as general economic conditions, negative consumer perceptions of increases in toll rates or fares, the prevailing rate of inflation, traffic volume and public sentiment about prevailing toll rates or fares. If public pressure and/or government action forces portfolio companies to restrict their toll rate increases or reduce their toll rates, and they are not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, the Fund's business, financial condition and results of operations could be materially and adversely affected. Furthermore, Fidelis cannot guarantee that governmental entities with which portfolio companies have concession agreements will not try to exempt certain vehicle types from tolls or negotiate lower toll rates.

Portfolio companies may be subject to rate regulation that determines or limits the prices it may charge, particularly if the portfolio company is the sole or predominant service provider in its service area or provides services that are essential to the community. In addition, portfolio companies may be subject to unfavorable price determinations that may be final with no right of appeal or that, despite a right of appeal, could result in its profits being negatively affected and investments not meeting initial return expectations.

62. Documentation and Other Legal Risk. Infrastructure investments are typically governed by highly complex legal contracts and documents. As a result, the risks of a dispute over interpretation or enforceability of the legal contracts and documentation and consequent costs and delays may be higher than for other types of investments.

63. Platform Investments. From time to time, the Fund may recruit a management team to pursue a new "platform" opportunity expected to lead to the formation of a future portfolio company. In other cases, the Fund may form a new portfolio company and recruit a management team to build the portfolio company through acquisitions and organic growth. In both cases the Fund will bear the expenses of the management team or portfolio company, as the case may be, including any overhead expenses, employee compensation, diligence expenses or other related expenses in connection with backing the management team or building out the platform company. Such expenses may be borne directly by the Fund as Fund Expenses (or broken deal expenses, if applicable) or indirectly as the Fund bears the start-up and ongoing expenses of the newly formed platform portfolio company. In certain cases the services provided by a management

team may overlap with the services provided by the General Partner to the Fund. The compensation of management of a platform portfolio company may include interests in the profits of the portfolio company, including profits realized in connection with the disposition of an asset. Although a platform portfolio company may be controlled by the Fund, members of a management team will not be treated as affiliates of the General Partner for purposes of the Partnership Agreement. Accordingly, none of the expenses described above will offset the Management Fee.

64. Additional Capital. Certain infrastructure assets, especially those in a development phase 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 the 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 Fund. In addition, the 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 the Fund’s proportionate ownership when a subsequent financing is planned, or to protect the Fund’s investment when such portfolio company’s performance does not meet expectations. The availability of capital is generally a function of market conditions that are beyond the control of the Fund or any portfolio company. There can be no assurance that the Fund or any 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. Failure to provide sufficient additional capital with respect to a portfolio company could adversely affect the performance of such portfolio company and the Fund.

65. Nature of Debt Securities. While the Fund is expected to focus primarily on equity infrastructure investments, the Fund will have the ability to invest in debt securities. The debt securities in which the Fund may invest may include secured or unsecured debt, which could be subordinated to senior indebtedness, all or a significant portion of which may be secured. Senior creditors will have significant influence, which may exceed the influence of the Fund or portfolio company in certain scenarios. In addition, the debt securities in which the Fund invests may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity, and may not be rated by a credit rating agency. Debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a “fraudulent conveyance” under relevant creditors’ rights laws, (ii) so-called lender liability claims by the issuer of the obligations and (iii) environmental liabilities that may arise with respect to collateral securing the obligations. The Fund’s investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Fund earlier than expected, thereby depriving the Fund of its expected return. In

addition, depending on fluctuations of the equity markets and other factors, warrants and other equity securities obtained in connection with a debt financing may become worthless.

66. Illiquid and Long-Term Investments. Investment in the Fund requires a long-term commitment with no certainty of return. Investments in infrastructure assets are generally less liquid and involve longer hold periods than traditional private equity investments, which are themselves often considered illiquid and long-term. Investments in infrastructure projects can be difficult or impossible to realize. Although portfolio companies by the Fund may generate current income, the return of capital and the realization of gains, if any, from a portfolio company generally will occur only upon the partial or complete disposition or refinancing of such portfolio company. While a portfolio company may be sold at any time, it is generally expected that this will not occur for a number of years after the investment is made. It is unlikely that there will be a public market for the securities held by the Fund at the time of their acquisition. The Fund will generally not be able to sell its investments through the public markets unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. Moreover, any possibility of a disposition in the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the portfolio companies in which the Fund invests and an active mergers and acquisitions (or recapitalizations and reorganizations) market, among other factors. In addition, in some cases the Fund may be prohibited by contract or legal or regulatory reasons from selling certain securities for a period of time. Furthermore, infrastructure investments by their nature are subject to industry cyclicity, downturns in demand, market disruptions and the lack of available capital for potential purchasers and are therefore often difficult or time-consuming to liquidate. Upon dissolution of the Fund or as otherwise provided in the Partnership Agreement, portfolio companies may be distributed in-kind so that Limited Partners may then become equity holders in one or more public or private companies (and as a consequence be unable to protect their interests in the same manner as their interests in the Fund).

67. Technical Risk. Investments in the infrastructure industry may be subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events that adversely affect operations. While the Fund intends to seek investments in which creditworthy and appropriately bonded and insured third parties bear much of these risks, there can be no assurance that any or all such risks can be mitigated or that such parties, if present, will perform their obligations.

68. Siting. Infrastructure and infrastructure-related projects may be subject to siting requirements. Siting of infrastructure projects is also frequently subject to regulation by applicable governmental authorities. For example, proposals to site a facility may be challenged by a number of parties, including non-governmental organizations and special interest groups based on alleged security concerns, disturbances to natural habitats for

wildlife and adverse aesthetic impacts, including the common “not in my backyard” phenomenon. Concerns may also arise that may require governmental permits or approvals, the receipt of which may depend, in part, on heightened environmental concerns and public opposition in some jurisdictions.

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

70. Risks Relating to the Power Sector. For much of its history, the power sector, and particularly the utility industry within this broader sector, was characterized by institutional stability and predictability of financial performance. The advent of utility deregulation, privatization, technological change, environmental regulations, commodity price fluctuations, and market volatility has created a much less stable sector with substantially greater variability of company performance. There can be no assurance that the pace or direction of the change will be in accord with the expectations of Fidelis, nor that the industry changes will benefit investments made by the Fund. Investing in power facilities and related assets and the companies that provide the equipment, services, and systems to such power facilities and related assets is subject to a variety of risks, not all of which can be foreseen or quantified, including operating, economic, environmental, commercial, regulatory, political and financial risks. There is no assurance that the Fund’s investments will be profitable or generate cash flow sufficient to service their debt or provide a return on or recovery of amounts invested therein.

71. Effects of Ongoing Changes in the Utility Industry. The Fund may make certain investments in utility industries both in the United States and abroad. In many regions, including the United States, the market dynamics of the utility industry may change, primarily in wholesale markets, as a result of consumer demands, technological advances, greater availability of natural gas and other factors. As a result, additional significant competitors could become active in parts of the utility industry. In addition, utility asset owners may find it increasingly difficult to negotiate long-term procurement or sales

agreements with counterparties, which may affect the Fund's profitability and financial stability. To the extent competitive pressures increase and the pricing and sale of products assume more characteristics of a commodity business, the economics of the projects into which the Fund may invest may come under increasing pressure. If restructuring of the utility industry is reversed, discontinued, delayed or modified, this could have an adverse effect on the portfolio companies into which the Fund may invest.

Electricity generation and related infrastructure investments may be subject to extensive non-U.S. and U.S. federal, state and local energy laws and regulations in the U.S. and other jurisdictions where portfolio companies are located, including, in the U.S., the Federal Power Act ("FPA"), the Energy Policy Act of 2005, the Public Utility Holding Company Act of 2005 and the Public Utility Regulatory Policies Act. Changes in applicable energy laws or regulations, or in the interpretations or administration of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines.

Under the FPA, the Federal Energy Regulatory Commission regulates wholesale sales of electricity and the transmission of electricity in interstate commerce by "public utilities" as defined under the FPA and places constraints on the conduct of their business, including, among other things, rate and corporate regulation including ownership and disposition of jurisdictional assets. In addition, state public utility commissions in U.S. states ("PUCs") have historically had broad authority to regulate both the rates charged by, and the financial activities of, electric utilities that sell electricity at retail and other public utilities that provide utility service to the public such as water utilities and telecommunication service providers, and a number of other matters relating to electric and other public utilities. State laws may also impose certain regulatory and reporting requirements on other owners and operators of generation facilities and other public utilities. Independent power producers are considered to be public utilities in some states and are subject to varying degrees of regulation by PUCs, ranging from a requirement to obtain a "certificate of public convenience and necessity" to regulation of organizational, accounting, financial and other corporate matters. States may assert jurisdiction over the location and construction of electric generating facilities and other public utility facilities, and in certain situations, over the issuance of securities and the sale or other transfer of assets by these facilities. State jurisdictional natural gas transportation and storage rates are also frequently subject to regulation by local PUCs. Similar regulation may also apply in other non-U.S. jurisdictions where investments are made.

72. Real Estate Risks. Some or all of the Fund's investments may be subject to the risks inherent in the ownership and operation of assets or business which derive a substantial amount of their value from real estate and real estate-related interests. These types of underlying interests are typically illiquid. Deterioration of real estate fundamentals will likely negatively impact the performance of such investments. Such changes in fundamentals could involve fluctuations as a result of general and local

economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in environmental and zoning laws, casualty or condemnation losses, environmental liability, regulatory limitations on rents, changes in neighborhood values, changes in the appeal of properties to tenants, the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, natural disasters, increase in interest rates and other factors that are beyond the control of Fidelis, the General Partner, the Management Company and Kraken. Additionally, the Fund may acquire assets in jurisdictions where indigenous rights (e.g., with respect to tribes or other dispossessed people/communities) to land exist. While the Fund will generally conduct due diligence in such jurisdictions to determine the extent to which it may be affected by such rights, it may not be possible to mitigate against or remove a risk associated with indigenous claims. Additionally, any declaration of title in respect of government-protected land on which infrastructure assets are located may negatively affect the operation of those businesses.

73. Land Title Risk. Certain investments may require large areas of land to install and operate their equipment and associated infrastructure. The rights to use the necessary land may be obtained through freehold title, easements, leases and other rights of use. Different jurisdictions adopt different systems of land title and in some jurisdictions it may not be possible to ascertain definitively who has the legal right to enter into land tenure arrangements with portfolio companies. In addition, the grantor's fee interests in the land which is the subject of such easements and leases are or may become subject to mortgages securing loans, other liens (such as tax liens) and other lease rights of third parties (such as leases of oil, gas, coal or other mineral rights). As a result, a portfolio company's rights under such leases or easements are or may be subject and subordinate to the rights of third parties. It is also possible that a default by the grantor under any mortgage could result in a foreclosure on the grantor's interest in the property and thereby terminate the portfolio company's right to the leases and easements required to operate such portfolio company. Similarly, it is possible that a government authority, as the holder of a tax lien, could foreclose upon a parcel and take possession of the portion of the portfolio company located on such parcel. The rights of a third party pursuant to a superior lease (such as leases of oil, gas, coal or other mineral rights) could also result in damage to or disturbance of the physical assets of a portfolio company or require relocation of investment assets. The locations of the portfolio companies may also be subject to government exercise of eminent domain power or similar events. The expiration of a landowner lease and the failure to obtain an extension will adversely affect the portfolio company on such property. If any portfolio companies were to suffer the loss of all or a portion of their underlying real estate interests or equipment as a result of a foreclosure by a mortgagee or other lienholder of a land parcel, or damage arising from the conduct of superior leaseholders, such portfolio company's operations and revenues may be adversely affected.

74. Energy and Natural Resources Regulatory Risk. The energy and natural resource sectors are subject to comprehensive United States and non-U.S. federal, state and local

laws and regulations. Present, as well as future, statutes and regulations could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect the Fund's investments and the prospects of the Fund. There can be no assurance that (i) existing regulations applicable to the Fund's portfolio companies will not be revised or reinterpreted, (ii) new laws and regulations will not be adopted or become applicable to portfolio companies, (iii) the technology, equipment, processes and procedures selected by portfolio companies to comply with current and future regulatory requirements will meet such requirements, (iv) such portfolio companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations, or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies. In addition, in many instances, the operation or acquisition of energy infrastructure assets may involve an ongoing commitment to or from a government agency. The nature of these obligations exposes the owners of infrastructure investments to a higher level of regulatory control than typically imposed on other businesses. See also "Regulatory Approvals/Consents" above.

Regulatory changes in a jurisdiction where a project or portfolio company is located or operates may make the continued operation of such project or company unfeasible or economically disadvantageous and any expenditures made to date with respect to such portfolio company may be wholly or partially written off. The location of a project or portfolio company may also be subject to government exercise of eminent domain power, expropriation or similar events. Similarly, regulatory differences between jurisdictions where a project or portfolio company is located or operates may make the commencement and/or continued operation of a project or company in a particular jurisdiction less feasible and/or less profitable than projects in other jurisdictions. The inability of the Fund and/or the portfolio companies to obtain and maintain regulatory permits or right-of-way or rental agreements on acceptable terms could adversely impact the Fund and/or the portfolio companies, including by impeding their ability to complete construction projects on time, on budget or at all. Any of these factors could significantly increase the regulatory-related compliance and other expenses incurred with respect to portfolio companies and could significantly reduce or entirely eliminate any potential revenues generated by one or more of the portfolio companies, which could materially and adversely affect returns to the Fund.

75. Renewable Energy Regulatory Support. Investments in renewable energy and related businesses and/or assets currently enjoy support from U.S. federal, state and local governments and regulatory agencies designed to finance such investments or support the financing or development thereof, such as the U.S. federal investment tax credit and federal production tax credit, federal blenders tax credit, U.S. Department of the Treasury grants, various renewable and alternative portfolio standard requirements enacted by several states, renewable energy credits and state-level utility programs, such as system

benefits charge and customer choice programs. Similar support, initiatives and arrangements exist in non-U.S. jurisdictions as well, in particular the European Union (the “EU”). Non-U.S. jurisdictions may have more variable views on policies regarding renewable energy (and, for example, may be more willing or likely to abandon initiatives regarding renewable energy in favor of more carbon-intensive forms of traditional energy generation). The combined effect of these programs is to subsidize in part the development, ownership and operation of renewable energy projects, particularly in an environment where the low cost of fossil fuel may otherwise make the cost of producing energy from renewable sources uneconomic. The operation and financial performance of any renewable energy investment may be significantly dependent on governmental policies and regulatory frameworks that support renewable energy sources. There can be no assurance that government support for renewable energy will continue, that favorable legislation will pass or that the electricity produced by the renewable energy investments will continue to qualify for support through applicable renewable portfolio standards programs. The elimination of, or reduction in, government policies that support renewable energy could have a material adverse effect on a renewable energy investment’s financial condition or results of operation. To the extent any tax credits, other favorable tax treatment or other forms of support for renewable energy are changed, the Fund’s renewable energy investments may be negatively impacted.

76. Investments in the Telecommunications Sector. The Fund expects to make infrastructure-related investments in the telecommunications sector or in other businesses that are dependent on the demand for mobile and internet infrastructure, including data centers, macro cell towers, fiber networks and small cell networks. Investment opportunities in the telecommunications sector are driven largely by consumer demand, technological advances and improvements in data collection and storage. Changes in the development and proliferation of new technologies (including improvements in the efficiency, architecture, and design of wireless or cloud networks), data transmission and/or consumer demand, as well as changes in the prevailing global economy, may adversely affect the Fund’s ability to identify and consummate attractive infrastructure-related investments in the telecommunications sector.

77. Weather and Climatological Risks. Certain energy companies may be particularly sensitive to weather and climate conditions. For example, solar power generators rely on the frequency and intensity of sunlight, wind turbines rely on the frequency and intensity of the wind, and companies focused on biomass rely on the production of crops, which can be adversely affected by droughts and other weather conditions. Furthermore, climate change may cause more extreme weather conditions and increased volatility in seasonal temperatures. Extreme weather conditions can interfere with operations and increase operating costs, and damage resulting from extreme weather may not be fully insured.

78. Demand for Wireless Infrastructure. The Fund may invest in tower infrastructure companies, whose revenue is typically supported by rapidly increasing consumer

consumption of mobile data and the subsequent requirements of mobile carriers for improved wireless coverage and capacity. These businesses may be adversely affected by any slowdown in such demand growth. Additionally, a reduction in carrier network investment may materially and adversely affect these businesses (including reducing demand for tenant additions, amendments to existing customer leases or network services).

Demand for a tower's wireless infrastructure materially depends on the demand for antenna space from tower customers, which, in turn, depends on the demand for wireless coverage and capacity by their underlying customers. The willingness of tower customers to utilize wireless tower infrastructure, or renew or extend existing leases on the wireless tower infrastructure, is affected by numerous factors. A slowdown in demand for wireless coverage and capacity and/or wireless tower infrastructure may negatively impact the growth of companies in which the Fund invests or otherwise have a material adverse effect on the returns thereto. If customers or potential customers of the Fund's portfolio companies are unable to raise adequate capital to fund their business plans as a result of disruptions in the financial and credit markets or otherwise, they may reduce spending, which could adversely affect such portfolio company's anticipated growth or the demand for such portfolio company's wireless infrastructure or network services.

The wireless industry could experience a slowdown or slowing growth rates as a result of numerous factors, including a reduction in consumer demand for wireless coverage or capacity or general economic conditions. There can be no assurance that weakness or uncertainty in the economic environment will not adversely affect the wireless industry, which may materially and adversely affect a portfolio company's business, including by reducing demand for a portfolio company's wireless infrastructure or network services. In addition, a slowdown may increase competition for site rental customers or network services. A wireless industry slowdown or a reduction in carrier network investment may materially and adversely affect the Fund's portfolio companies.

Item 9

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of Fidelis or the integrity of Adviser's management.

There are no legal or disciplinary events with respect to an evaluation of Fidelis's advisory services or the integrity of management.

Item 10

Other Financial Industry Activities and Affiliations

Fidelis is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of Fidelis are registered representatives of a broker-dealer.

Neither Fidelis nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

In connection with sponsoring the Fund, Fidelis also sponsors an affiliated general partner for the Fund, which will receive the compensation described in Items 5 and 6. Furthermore and as discussed in Item 4, affiliate Kraken performs certain investment sourcing services to Fidelis as an externally facing project development platform. Fidelis and Kraken share offices, employees, and systems. The main function of Kraken is to identify infrastructure investment opportunities in the project development stage. Consistent with the terms and conditions of the governing documents of the Fund, Kraken cannot profit with respect to any business activities on behalf of, or in connection with, the Fund.

Fidelis does not recommend or select other investment advisers for the Fund.

Item 11

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

Fidelis has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Adviser Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of Fidelis’s supervised persons. The Code contains policies and procedures that supervised persons execute personal securities trading in a manner that mitigates actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. Fidelis requires pre-clearance of purchases of an IPO or a new private placement; requires periodic reporting of employees’ personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

As part of its Code, Fidelis has established procedures to reduce the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of Fidelis would make information barriers impractical, the firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of Fidelis has received material, non-public information, and, therefore, may not trade due to the receipt of that information.

Fidelis will provide a copy of the Code to any investor or prospective investor upon request.

Expect with respect to Kraken Services, LLC, as described in more detail in Item 10 above, neither Fidelis nor any of its related persons recommend to the Fund’s investments in which Fidelis or any related persons have a material financial interest.

In connection with sponsoring the Fund, Fidelis and certain affiliates may have an economic interest in the Fund, the General Partner or both. Other than with respect to these interests, neither Fidelis nor any of its related persons invest in the same or related securities that either Fidelis or its related persons recommend to the Fund.

Fidelis, the Principals, and Fidelis personnel (collectively “Fidelis Personnel”) engage in a broad range of activities, including investment activities for their own accounts, and may in the future spend a portion of their time and attention pursuing investment opportunities and other activities for other funds or client accounts (the “Other Funds”), including transaction-related, investment advisory, management and other services to Other Funds. Fidelis and Fidelis Personnel expect in the future to manage or co-manage

additional Other Funds, some of which are expected to follow investment programs substantially similar to that of the Fund. In addition, Fidelis may in the future oversee portfolio companies in which Other Funds have acquired interests. These other activities and time spent by Fidelis and the Fidelis Personnel are likely to result in conflicts of interest with the Fund and the Fund investors. In the event that Fidelis launches an Other Fund with a different investment strategy, then it is likely that this would give rise to additional conflicts of interest not specifically described herein and there can be no assurance that Fidelis will identify or resolve such conflicts and, if resolved, that such conflicts will be resolved in a manner that is favorable to or benefits the Fund.

Fidelis believes that its significant investment in the Fund, as well as its carried interest, operate to align, to some extent, the interest of Fidelis and Fidelis Personnel with the interest of the Partners, although such persons will have economic interests in such Other Funds and investments and receive management fees and carried interests relating to such interests. At such time as Fidelis is permitted to raise a successor investment fund to the Fund, Fidelis Personnel will continue to manage the Fund's investments, but likely will focus investment activities on other opportunities and areas unrelated to the Fund's investments. Fidelis and Fidelis Personnel will devote as much of their time to the activities of the Fund as they deem necessary, advisable and appropriate. Except as set forth in the Offering Documents, Fidelis and Fidelis Personnel are not restricted from allocating investment opportunities to, or forming, Other Funds, from entering into other investment advisory relationships or from engaging in other business activities, even though certain of such activities will be in competition with the Fund or its portfolio companies and/or involve substantial time and resources of Fidelis and Fidelis Personnel. This is likely to result in such persons spending a significant amount of business time on other opportunities, investments and entities unrelated to the Fund or its portfolio companies. These activities would create a conflict of interest in that the time and effort of Fidelis and Fidelis Personnel would not be devoted exclusively to the business of the Fund but would instead be allocated between the business of the Fund and the management of the monies of Other Funds.

Item 12

Brokerage Practices

Fidelis's investment strategy involves private equity investments. As a result, Fidelis does not select or recommend broker-dealers for the purchase and sales of securities. Furthermore, Fidelis does not maintain any trading accounts and does not use "soft" dollars received from broker-dealers from the purchase and sales of securities for its clients.

Item 13

Review of Accounts

Fidelis will maintain comprehensive review procedures for the ongoing monitoring of the portfolio investments of the Fund. In connection therewith, Fidelis conducts periodic reviews of all portfolio company investments held by the Fund as it deems appropriate. All of Fidelis's investment and operational staff participate in the ongoing monitoring of the Fund's portfolio, although responsibilities vary by individual. Performance, security positions and investment opportunities are among some of the matters that may be reviewed.

Fidelis will provide written periodic financial reports, such as audited annual financial statements, to the Investors in the Fund. This reporting includes customary financials relating to the business and operations of the Fund.

Item 14

Client Referrals and Other Compensation

Fidelis does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Fund.

While not a client solicitation arrangement, with respect to the Fund, Fidelis has entered into, and may in the future enter into an agreement with a third-party placement agent. This agreement provides for compensation to be paid to the placement agent for referring limited partners to the Fund. Under this agreement, the placement agent receives a percentage of the capital commitments attributable to each prospective limited partner referred depending upon specific circumstances and restrictions. Any such agreement with a placement agent is disclosed to prospective limited partners in the Fund.

Item 15

Custody

Fidelis will be deemed under Rule 206(4)-2 of Adviser Act to have custody of the assets of the Fund by virtue of its relationship with the General Partner. The Fund's assets and securities will be held by qualified custodians. As noted in Item 13 above, Fund Limited Partners will receive annual financial statements audited by an independent public accounting firm. Fund Limited Partners are urged to carefully review such statements.

Item 16

Investment Discretion

Fidelis will exercise discretion in managing the investments of the Fund, based on the Fund's investment objectives, policies and strategies disclosed in its Offering Documents. The limitations on such authority are described in the Fund's Offering Documents.

Fidelis will contractually assume discretionary authority over the assets of the Fund under an investment management agreement entered into among Fidelis, the Fund and the Fund's General Partner.

Item 17

Voting Client Securities

Fidelis's investment strategy involves private equity investments. As a result, Fidelis does not generally hold Fund investments in public equity securities and therefore does not generally receive proxies on behalf of its clients.

Item 18

Financial Information

Fidelis will not require or solicit prepayment of more than \$1,200, six months or more in advance.

Fidelis does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Fund.

Fidelis has not been the subject of a bankruptcy petition at any time during the past ten years.