

Part 2A of Form ADV: Pennybacker Capital Management, LLC - *Brochure*

Item 1 - Cover Page

December 11, 2023

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This brochure (“Brochure”) provides information about the qualifications and business practices of Pennybacker Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (512) 610-2910. 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.

Pennybacker Capital Management, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about Pennybacker Capital Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 2 - Material Changes

Pennybacker Capital Management, LLC (the “Adviser”) is providing this other-than-annual update to the “Brochure” since its last update dated March 30, 2023. Since its last annual update, the Adviser had four material changes to report:

- The Adviser changed the office address in Item 1;
- The Adviser updated its assets under management in Item 4;
- The Adviser updated potential risks around its infrastructure strategy, investment characteristics, market opportunity, and post-closing management sections in Item 8;
- The Adviser included potential conflicts of interest in Item 11

Pursuant to SEC Rules, we will continue to ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Currently, our Brochure may be requested by contacting Ms. Lindsey Jacot, the Adviser’s Chief Compliance Officer, at (512) 610-2910 or ljacot@pennybackercap.com.

Additional information about the Adviser is also available via the SEC’s website www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with the Adviser who are registered, or are required to be registered, as investment adviser representatives of the Adviser.

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Item 4 - Advisory Business

- A. Pennybacker Capital Management, LLC (the “Adviser”) is a real asset private equity firm headquartered in Austin, Texas. The Adviser provides investment advisory services on a discretionary basis to private investment limited partnerships that focus on generating favorable risk-adjusted returns primarily by acquiring and managing middle-market multifamily, industrial, retail and office, properties across the United States, private investment limited partnerships that invest in high-yield debt and preferred equity interests backed by commercial real estate-related assets, and critical infrastructure investments in operating platforms(each, a “Fund,” or “Client” and together, the “Funds” or “Clients”).

The Adviser was formed in 2006 by Mr. Timothy P. Berry. The Adviser’s principal owners (each having a greater than 25% ownership interest) are CAVU Holdings, Ltd. and Copper Funding, LLC. Mr. Berry, Mr. Michael C. O’Malley, Mr. Vince P. Reyna, and Mr. Thomas Beier are the Principals of the Adviser (the “Principals”). The Principals have more than 68 years of combined real estate private equity investing and operating experience and have developed and/or repositioned more than 80 projects as principals as well as more than 250 real estate investment transactions on behalf of high net worth individuals and institutional investors throughout the U.S.

- B. Investment advisory services include establishing each Fund’s investment objective and selecting portfolio investments according to each Fund’s specific investment strategy, as described in the applicable Fund’s confidential offering memorandum (if any) and governing documents (collectively, the “Offering Documents”). The investment activity of the Adviser generally focuses on fee simple acquisition, acquisition of debt, providing mezzanine debt and preferred equity middle-market real estate financing and operating platform investments within critical infrastructure in markets throughout the U.S. The Adviser seeks investment opportunities in which the Adviser can capitalize on its industry relationships, acquisition and portfolio optimization platform, direct lending and real asset operating experience; and will also seek opportunities in which it can capitalize on market inefficiencies in the middle market, and the ongoing dislocation in the segments of U.S. infrastructure, real assets and capital markets.
- C. While each of its Funds will follow the general strategy stated above, the Adviser tailors the specific advisory services with respect to each Fund based on the investment guidelines and restrictions stated in each Fund’s respective Offering Documents and/or investment management agreements. The Adviser does not tailor its investment advisory services to individual limited partners in any of the Funds.
- D. The Adviser does not participate in wrap fee programs.
- E. As of September 30, 2023, the Adviser managed \$3,330,088,217 in discretionary portfolios. The Adviser does not currently manage assets on a non-discretionary basis.

Item 5 - Fees and Compensation

- A. Below is a discussion of how the Adviser is compensated in connection with providing advisory services to a Fund. The Adviser enters into different fee arrangements on a Fund by Fund basis.

It is critical that investors and prospective investors refer to the respective Fund's Offering Documents for a complete understanding of how the Adviser and/or the applicable related parties are compensated for advisory services. The information contained herein is a summary only with respect to current Fund client(s) and is qualified in its entirety by the applicable Fund's Offering Documents.

Capital Commitments

Each Fund will seek capital commitments ("Commitments") from limited partners in one or more closings up to an amount stated in the Offering Documents, if applicable. For closed-end Funds, capital calls have the ability to be required from time to time for a certain period after the initial closing of the relevant Fund, as set forth in the governing documents of the relevant Fund (the "Commitment Period"). For open-end Funds, capital calls have the ability to be required from time to time until a limited partner's respective Commitment has been fully drawn, subject to applicable recycling and recontribution provisions, as set forth in the governing documents of the relevant open-end Fund. Thereafter, the limited partners will be released from any further obligation with respect to their undrawn Commitments, except to the extent necessary to: (i) fund the obligations and expenses of the Fund, including, but not limited to, indemnity obligations, payment of the Management Fee, and repayment of indebtedness of the Fund, (ii) complete investments by the Fund in respect of transactions that were in process as of the end of the Commitment Period in the case of closed-end Funds, and (iii) to effect follow-on investments in existing investments.

Commitments will be drawn down *pro rata* based on original Commitments on an as-needed basis to fund investments and pay Fund expenses. Such contributions will represent each Partner's "Capital Contributions."

Management Fees

Each closed-end Fund will pay its respective general partner ("General Partner") or to the Adviser directly an annual management fee (the "Management Fee") of up to 2.00% of total Commitments for services provided by the Adviser to the Fund, payable quarterly from the date of the initial closing of a Fund until the end of the Commitment Period. Following the Commitment Period, no Fund will pay a Management Fee based on total Commitments but certain Funds will pay their General Partners or the Adviser an annual management fee of up to 2.00% of their invested capital with respect to investments which have not been fully disposed (including as a consequence of a permanent markdown of such investment). From and after the date on which the term of the Fund expires or terminates until the date on which the Fund is dissolved, certain Funds will pay their General Partners or the Adviser an annual management fee of up to 2.00% of their invested capital with respect to investments which have not been fully disposed. Such Management Fees are payable by the Funds quarterly. Each open-end Fund will pay an annual management fee to its respective general partner, in arrears on a quarterly basis, up to 1.00% of the aggregate unit value of the units held.

With respect to certain Funds, the Adviser indirectly receives the Management Fees paid by certain Funds through its ownership interest in certain General Partners. At the General Partner's discretion, and in accordance with the Fund's Offering Documents, certain limited partners in each Fund may pay Management Fees at different rates than those noted above.

Construction and Property Management Fees

The Adviser or its affiliate may charge certain Funds or its affiliates fees for construction management services (“Construction Management Fees”). Construction Management Fees charged may vary. Typically, such fees will be calculated in the following ways: 1) with respect to commercial real estate investments, in an amount up to a certain percentage of the total costs incurred in connection with tenant improvement services and capital improvement services, and 2) with respect to multifamily real estate investments, in an amount up to a certain percentage of the hard costs incurred in connection with any necessary repairs, alternations, and improvements to the property.

The Adviser or its affiliate may charge the Fund or its affiliates property management fees (“Property Management Fees”). Property Management Fees charged may vary. Typically, such fees will be calculated as an amount equal to a certain percentage of gross rental receipts with respect to an investment.

In each case, the exact terms and conditions for the Construction Management Fees and Property Management Fees that may be charged to the Funds or their affiliates are qualified and governed by the applicable Offering Documents and any resolutions adopted under such Offering Documents.

Technology and Research Fees

The Adviser or its affiliate may also charge certain Funds or its affiliates technology and research fees (“Technology and Research Fees”). Technology and Research Fees charged may vary, but typically, such fees equal \$25,000 per asset held by the Funds. The exact terms and conditions for the Technology and Research Fees that may be charged to the Funds or their affiliates are qualified and governed by the applicable Offering Documents and any resolutions adopted under such Offering Documents.

Application Fees

The Adviser or its affiliate may receive additional fees in connection with each investment paid by the borrower. The Funds and their affiliates do not bear these application fees.

Distributions

Net proceeds attributable to the disposition of each Fund’s portfolio investments, together with any dividends or interest income with respect to the Fund’s portfolio investments (“Disposition Proceeds”) will be distributed to a Fund’s partners following the General Partner’s determination of the amount of available funds to distribute after the consideration of such factors as the need to allocate funds to pay any Management Fees or any reserves for Fund contingencies or any other Fund purpose that the General Partner deems necessary or advisable.

Distributions to the Partners will be subject to certain adjustments and reserves as stated in more detail in each Fund’s Offering Documents. Generally, Disposition Proceeds are distributed by an annual preferred return on any unreturned Capital Contributions, a return of capital in proportion to the Capital Contributions to allow for a return of Capital Contributions to the Fund, and varied “carried interest” distributions as set forth in each Fund’s Offering Documents.

Upon the final liquidation of a Fund and distribution of its remaining assets, the General Partner may be required to restore capital to the Fund for distribution to the limited partners (up to the amount of its cumulative net after-tax carried interest) to the extent, if any, that the amount previously distributed to

the General Partner as its carried interest exceeds the aggregate amount due to the General Partner as its carried interest on a cumulative basis.

- B. Management Fees can be paid out of current income and Disposition Proceeds of each Fund and from drawdowns of Commitments to each Fund. The Management Fees are deducted quarterly from a Fund's assets by such Fund's General Partner or Adviser. Disposition Proceeds are deducted by each General Partner from distributable funds as indicated in Item 5.A. above.
- C. The General Partner and the Adviser will pay all of their respective ordinary administrative and overhead expenses, including salaries, benefits and rent.

Each Fund will pay all other expenses attributable to the activities of the Fund including, without limitation: (i) expenses incurred in connection with the consummation of transactions, including financing and consulting fees, property management fees, brokerage commissions, transaction fees, and legal, accounting, investment banking, consulting, information services and professional fees; (ii) expenses incurred in connection with the carrying or management of investments, including custodial, trustee, record keeping and other administration fees; (iii) expenses incurred in connection with the Fund's financial statements, tax returns and K-1's; (iv) attorneys' and accountants' fees and disbursements; (v) taxes and other governmental charges levied against the Fund; (vi) insurance (including premiums), regulatory or litigation expenses (and damages), including regulatory expenses of the General Partner and the Adviser; (vii) expenses incurred in connection with the winding up or liquidation of the Fund; (viii) expenses relating to defaults by partners in the payment of any capital contributions; (ix) expenses for transactions not consummated; (x) expenses incurred in connection with any restructuring or amendments to the constituent documents of the Fund and related entities, including the General Partner and the Adviser; (xi) expenses incurred in connection with distributions to the partners and in connection with any meetings with partners called by the General Partner; (xii) expenses related to the Fund's indemnification obligations. Further, the Funds may incur the cost of third-party placement agent fees and expenses, which are subtracted from the Management Fees; and (xiii) expenses incurred for the establishment and use of a working capital credit facility.

Each Fund will reimburse the General Partner up to a predetermined amount of the Fund's organizational and start-up expenses, including but not limited to legal fees, travel costs (including meals and with respect to certain Funds, entertainment), creation of marketing materials, printing costs, accounting fees, filing fees, capital raising costs and other organizational expenses. Organizational expenses in excess of such predetermined amount will be borne by the General Partner and/or the Adviser.

There will be no sales charges payable by limited partners in connection with their investment in the Funds.

The Adviser does not maintain any trading accounts and does not use "soft" dollars.

Please refer to Item 12, Brokerage Practices, for more information.

- D. The Management Fee will be paid either out of cash flows of the Funds, through calls made by the Funds, or through a combination of the two, as determined by the General Partner, and in any case shall be paid by the Fund to the General Partner or the Adviser 1) in quarterly installments in advance (pro rated for any partial quarterly period for which it applies), or 2) quarterly in arrears, as described in the Fund's offering documents and/or investment management agreements.

- E. Neither the Adviser nor any of its supervised persons receives any compensation from the sale of securities or other investment products.

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

As stated in Item 5 above, the General Partner of a Fund will receive performance-based fees in connection with any Disposition Proceeds that are distributed to partners relating to dispositions of investments in portfolio companies.

Performance-based fees, in general, have the ability to 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.

The Adviser manages multiple Funds with similar investment strategies on a side-by side basis. As a result of the foregoing, the Adviser, its principal(s), and/or affiliate(s) may have conflicts of interest in: (i) allocating their time and activity among the multiple Funds; (ii) allocating investments among the multiple Funds; and (iii) effecting transactions among the multiple Funds, including ones in which the Adviser, its principal(s), and/or affiliate(s) may have a greater financial interest. These conflicts of interest could create an incentive for the Adviser to favor a Fund in which the Adviser, its principal(s), and/or affiliate(s) have a greater financial interest with respect to allocation of time and activity, limited investment opportunities, or investments that the Adviser regards as more attractive or better performing investments.

To address these conflicts of interest, the Adviser has implemented policies and procedures to ensure that all Funds receive equitable and fair treatment over time with respect to the allocation of investment opportunities. These policies and procedures require the Adviser to allocate investments among the Funds in a manner which it believes to be fair and equitable and prohibit the Adviser from basing an allocation decision on any of the following, or similar, reasons: (i) to generate higher fees paid by one Fund over another, or to produce greater fees to the Adviser or any of its affiliates; (ii) to develop a relationship with an existing or potential limited partner in a Fund; (iii) to compensate a limited partner in a Fund for past services or benefits rendered to the Adviser or any employee of the Adviser; or (iv) to induce future services or benefits to be rendered to the Adviser or any employee of the Adviser.

Item 7 - Types of Clients

The Adviser provides investment advisory services on a discretionary basis to private funds for sophisticated, qualified investors, including high net worth individuals, pension plans, funds of funds, family offices, endowments, foundations, and other institutions. The private funds are limited partnerships that focus on investing in real estate private equity transactions.

Generally, limited partner interests in the private funds require a minimal capital commitment of \$25,000, although the General Partner is able to accept commitments of lesser amounts.

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

A. Introduction

The Adviser focuses on generating favorable risk-adjusted returns for the Funds' limited partners by identifying sub-performing, middle-market real estate properties that offer enhanced value propositions across the United States. The Adviser seeks to purchase these assets at attractive values below historical replacement cost. Targeted property types primarily include strategically located multifamily (including senior living), industrial, retail and office, properties that possess the ability to generate current income, exhibit strong capital appreciation potential, and maintain a margin of economic safety due to an attractive cost basis. The Adviser also intends to invest in cash flowing assets to hold between 10 and 15 years in certain markets that it believes will benefit from higher rates of economic and demographic growth and in-migration than the United States as a whole. The assets that are intended to comprise this portfolio will be generally high quality (newer construction), fully stabilized, exhibiting little to no deferred maintenance but that have attractive current income and have the potential for upside over the long-term. Additionally, the Adviser will target investments in operating platforms within the critical infrastructure segment that provide downside protection through real asset ownership, generate current yield or line of sight to operational, contracted cash flow and are readily scalable. Targeted sectors include energy transition projects, digital infrastructure, and critical manufacturing (e.g., pharmaceuticals) facilities. The Adviser intends to hold these assets from 3 to 7 years. In addition, the Adviser will seek investment opportunities in which it can capitalize on its industry relationships, acquisition platform, and significant real asset operating experience, as well as market inefficiencies in the middle-market, and the ongoing dislocation in certain segments of U.S. real assets and capital markets.

The Adviser is led by its Principals. The Principals are a team of experienced investment professionals who collectively have backgrounds in real asset investment management, real estate development, asset management, property management, bankruptcy workouts, credit underwriting, corporate and asset restructuring, traditional and distressed real estate debt security valuation, securities law, investment banking, and investor reporting. The Principals have developed and/or repositioned more than 80 real estate projects as principals as well as over 250 real estate investment transactions on behalf of high net worth individuals and institutional investors throughout the U.S., providing an operational mind-set and "know how" allowing the Adviser to operate assets and work with joint venture partners and management teams with a deep understanding of fundamental value drivers. Furthermore, the Principals' experience in restructurings allows the Adviser to analyze distressed assets with a thorough understanding of the opportunities available to unlock value.

Investment Characteristics

The Adviser will identify middle-market value by focusing on investments that the Adviser believes have the opportunity for growth or value-oriented repositioning, or otherwise provide for a compelling return profile. The Adviser expects these investments to exhibit discounted pricing levels, enjoy lower relative levels of absolute risk from transaction structuring, and realize favorable capital appreciation. The Adviser generally defines the middle-market as transactions requiring between \$5 million and \$100 million of equity. The Adviser believes that this market segment provides more market inefficiencies than primary core markets that have greater transaction liquidity, analyst coverage, and market transparency.

The Adviser's investment team intends to primarily pursue direct equity investments but may utilize a variety of structures and approaches to optimize returns and minimize risks. Types of transaction structures that the Adviser pursues include, without limitation: (i) direct fee simple acquisition of

controlling equity interests in real estate properties or the acquisition of limited partner interests in existing entities; (ii) development or redevelopment of real estate property through entities formed with selected real estate operators; (iii) investments in performing and non-performing senior and subordinate debt and preferred equity investments in structured transactions where the Adviser seeks to mitigate risks by taking a strategic position in the capital structure of an investment entity with what it considers to have fundamentally sound real estate; (iv) investments in pools of loans or individual loans from a pool of loans secured by quality and or undervalued real estate assets, purchased from various CMBS trusts, structured debt products, operating company investments, and general partner co-investments; and (v) investments in critical infrastructure operating platforms, spanning from energy infrastructure to essential housing verticals, that are supported by real assets, generate current or line of sight to operational, contracted cash flow and are readily scalable.

Market Opportunity

While the Adviser believes its investment strategy can be executed profitably in any real asset or economic cycle, the Adviser believes that its strategy will be buoyed by four primary factors: (i) ongoing macroeconomic and capital market issues that are impacting asset owners and lenders nationwide that the Adviser believes will create attractive acquisition opportunities for the Funds, (ii) the strong growth and demand projected in the Adviser's target markets throughout the U.S., which the Adviser believes will support real estate fundamentals and property cash flow growth, (iii) a dearth of private capital in the middle market critical infrastructure sector to capitalize on the secular tailwinds supporting inflation-resilient, essential infrastructure operating assets, and (iv) broader geopolitical and industrial policies, both in the U.S. and globally, that will accelerate infrastructure investments and present significant opportunities to participate across the space.

Specific macro issues that the Adviser believes can create opportunities for the Funds it advises include: (i) looming debt maturities coming due over the next four years; (ii) limited ability for distressed real estate owners to refinance loans originated at or near the peak of the market due to valuation shortfalls as well as a limited availability of mortgage debt for certain asset types; (iii) demographic trends in its target markets that are driven by in-migration and corporate relocations and expansions; (iv) global macroeconomic issues; (v) the global economy's race to decarbonize and become more sustainable; (vi) the systematic shortfall in global infrastructure spending; and (vii) the flood of capital into U.S. infrastructure has been concentrated towards large-cap investors creating significant opportunities in the lower-to-middle market segment of the infrastructure value chain. The Adviser seeks to take advantage of these opportunities to pursue attractive risk-adjusted transactions including recapitalizations, foreclosures, distressed note sales, and asset sales.

Additionally, the Adviser believes certain market factors generate compelling opportunities to provide financing solutions to qualified operators including, but not limited to: (i) construction cost overruns due to trade disputes; (ii) affordable housing and rent control regulations; (iii) opportunities to provide mezzanine debt or preferred equity solutions junior to the senior lender; and (iv) bank overexposure to construction and certain asset class loans. The Adviser seeks to take advantage of these opportunities through investments in high yield debt and preferred equity secured by middle-market value-add or transitional commercial real estate assets.

The Adviser also pursues high-quality real estate assets in target markets to hold longer term for the purpose of generating income as well as assets with future optionality to create additional value. Additionally, the Adviser targets investments in operating platforms within the critical infrastructure sector, with a focus on the power, energy, renewables, transportation and logistics segments, that provide line of sight to stable, cyclically resilient cash flows, high barriers to entry, real asset ownership and secular tailwinds.

Furthermore, the Adviser focuses on filling gaps and adjacencies in infrastructure by investing in businesses that (i) incorporate real assets that provide an essential service or product; and (ii) generate relatively predictable, contracted cash flow streams that ideally exhibit inflation-hedging aspects and have limited economic-cycle risk. As the projected infrastructure investment shortfall widens, both in the US and globally, the Adviser believes that there is a meaningful opportunity to deploy capital and generate compelling risk-adjusted returns in lower-to-middle market critical infrastructure operating companies. The Adviser intends to focus on the following sectors within the infrastructure space: (i) clean alternative marine fuels & bunkering; (ii) C&I waste treatment, reuse & energy; (iii) cold chain storage & specialty logistics; (iv) clean energy solutions for real estate asset owners; (v) distributed / backup power & resiliency; and (vi) critical contract manufacturing.

Investment Process

The Adviser utilizes a disciplined approach to screen, analyze, underwrite, and manage assets. The firm employs what it considers to be industry-leading best practices and a consistently exercised disciplined approach to conduct investment analysis and market research. Furthermore, by thoroughly evaluating risks, the Adviser believes it is positioned to make appropriate determinations of investment suitability. By defining risks in a comprehensive manner, the Adviser then creates a basis from which to determine if risks can be adequately mitigated, and also to determine if the expected investment returns match up with the risks being taken. Risk mitigation strategies are thorough and the Adviser defines specific plans during its due diligence phase. Investments are subject to comprehensive reviews of regional markets, competitive sub-markets, property-specific attributes such as the credit of the tenancy, management team-specific attributes such as years of experience, and operation-specific attributes (e.g., back-office systems, HR policies, etc.). Alternative strategic plans for an asset are then formulated and the options deemed viable are further reviewed in the context of the above risk factors. Regional markets are gauged by real estate sub-sectors and the Adviser assesses where each market is in its cycle.

The Adviser's fundamental research and analysis is complemented by its disciplined investment style, which seeks to focus on the downside, identify the upside, and use leverage judiciously. The Adviser believes that by understanding the potential downside or loss of an investment, and sizing its positions accordingly, it will be able to generate above-average returns with low risk of principal loss. The Adviser sustains a strict focus on always maintaining a defensible capital stack for each asset. Furthermore, the Adviser believes that its Principals have earned the reputation of closing on assets that are placed under purchase contract. This reliability, combined with the Adviser's track record, provides potential investment opportunities from parties looking for an efficient buyer of distressed or time-constricted assets.

Post-Closing Management

The Adviser applies a "hands-on" operationally intensive approach to asset positioning, capital structure, and exit timing. The Adviser may incorporate one or more management strategies with respect to assets in the Funds' portfolio, including: (i) seeking to maximize and strengthen the quality of cash flow by enhancing revenue through improvements in occupancy rates, lease terms, and leasing strategies as well as containing costs through more efficient operating procedures; (ii) increasing rents by upgrading the interior, exterior, and/or common areas of property and/or repositioning the property within its market to attract an upgraded tenant profile at increased rents; (iii) creating expansion opportunities; (iv) determining the optimal capital structure that will maximize the risk-adjusted return to a Fund; (v) offering its breadth of operational expertise to assist in evolving the management teams' business (e.g., setting up back-office systems, HR policies, and acting as an advisor akin to a board member); and (vi) constantly monitoring market conditions and evaluating exit alternatives to manage risk and exploit opportunities.

Investing in securities and other assets (including private equity portfolio companies and real estate investments) involves the risk of loss, which investors should be prepared to bear.

- B. The Adviser's investment strategy focuses on real asset and critical infrastructure private equity transactions that may be complex, and which involve high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be exhaustive. Prospective limited partners in a Fund should carefully review the risks described in the applicable Fund's Offering Documents.

Difficulty in Locating Suitable Investments. A limited partner in a Fund must rely upon the ability of the Adviser to identify, structure, and implement investments consistent with such Fund's investment objective and policies. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable a Fund to invest all of its committed capital in opportunities that satisfy the Fund's investment objectives, or that such investment opportunities will lead to completed investments by the Fund. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. The return of capital and the realization of profits, if any, will generally occur only upon the partial or complete disposition of an investment. Only certain investments are expected to generate current cash flows, and with respect to such investments, interim cash flow generated by such investments may not be sufficient to pay Fund expenses and service borrowings.

Limited Partner Default. If limited partners in a Fund fail to fund their subscription obligations or make required capital contributions when due, the Fund's ability to complete its investment program or otherwise continue operations may be substantially impaired.

Diversification. While diversification may be an objective of certain Funds, there is no assurance as to the degree of diversification that will actually be achieved in a Fund's investments either by geographic region or asset type. A Fund may participate in a limited number of investments and, as a consequence, the aggregate return of the Fund may be adversely affected by the unfavorable performance of even a single investment.

Expedited Transactions. Investment analyses and decisions by the Adviser is frequently required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Adviser at the time an investment decision is made can be limited, and the Adviser or seller/owner may not have access to detailed information regarding the investment property. Therefore, no assurance can be given that the Adviser will have knowledge of all circumstances that adversely affect an investment.

Credit and Financing. The Adviser and the Funds agree to arrange for and deliver financing and equity to a Fund's portfolio investment based on agreed to terms. However, because of changes in interest rates, market conditions, perceived risk, acquisitions and mergers of credit providers, and other related factors, the credit providers to the Adviser and the Funds could reduce or eliminate credit availability or seek to revise the terms made available. Such actions could make it difficult for the obligated parties to deliver on their agreements on favorable terms, if at all, and could have an adverse effect on the Funds.

Interest Rates. Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations, and other factors beyond the Adviser's or the Funds' control. Interest rate fluctuations may adversely affect the Funds' returns. Hedging strategies may be employed, and there is no assurance that interest rate risks can be perfectly hedged or minimized where the magnitude and timing of future cash flows can only be estimated and

not known with certainty. There also exists a risk that any counterparty to a hedging transaction will not perform as expected.

Leverage. A Fund can incur indebtedness to fund acquisitions, development or capital improvements, restructure existing debt or enhance returns. This leverage will increase the exposure of such investments to adverse economic factors such as rising interest rates, economic downturns, or deterioration in the condition of the investment or its corresponding market. There can be no assurances that a Fund, upon the incurrence of debt, will be able to meet its debt service obligations. To the extent that a Fund cannot meet its debt servicing obligations, the value of the Fund's investments could be significantly reduced or even eliminated, and the Fund risks the loss of some or all of its assets to foreclosure.

Key Personnel. Each Fund's success is highly dependent on the talents, efforts, and experiences of the Principals. The diminution or loss of services of a Principal could have a material adverse effect on the Funds.

Competition. A Fund may encounter competition for infrastructure and real property investments. Competition for investments have the effect of increasing costs, thereby reducing investment returns for a Fund.

Regulatory. 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 operations of a portfolio company, impede the development of infrastructure or real estate assets, delay the completion of a previously announced acquisition or sale to third parties, cause a Fund to be subject to regulatory actions, or otherwise result in additional costs to a portfolio company, or other investment, and in turn the Fund.

- C. Investments by a Fund in infrastructure, real estate and real estate-related assets involve a high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be exhaustive. Prospective limited partners in a Fund should carefully review the risks described in the applicable Fund's Offering Documents.

Limited Current Return. The return of capital and the realization of profits, if any, will generally occur only upon the partial or complete disposition of an investment. Only certain investments are expected to generate current cash flows, and with respect to such investments, interim cash flow generated by such investments may not be sufficient to pay Fund expenses and service borrowings.

Illiquid Investments. Investments in real estate generally are not liquid, and there is no assurance that there will be a ready market for real property interests held by a Fund. The Funds generally will not be able to sell their equity investments publicly unless their sale is registered under applicable federal and state securities laws, or unless an exemption from such registration requirements is available and may not be able to monetize its debt investments. It is unlikely that there will be a public market for these equity investments. In addition, financial instruments held by the Funds may be such that they require a substantial length of time to liquidate.

Targeted Returns. The Funds will make investments based on estimates or projections of sales prices, rental rates, internal rates of return, and current returns, which in turn will be based on, among other considerations, assumptions regarding the performance of potential investments, the amount and terms of available financing, and the manner and timing of dispositions, all of which are subject to significant uncertainty. In addition, events or conditions that have not been anticipated may occur and have

significant effects on the actual rate of return on Fund investments. There is no assurance that a Fund will achieve its expected internal rate of return on the Fund's investments, and the Fund may earn no return or lose principal on an investment.

Troubled or Underperforming Assets. The Funds may make investments in preferred or mezzanine debt instruments, subordinated debt interests, or joint ventures in partnerships, or invest in other troubled assets that involve a significant degree of legal and financial risk.

Furthermore, investments in assets operating in workout modes or under the U.S. Bankruptcy Code are, in certain circumstances, subject to certain additional potential liabilities, which can exceed the value of a Fund's original investment.

Infrastructure Investments Generally. 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 performance of an Investment or related project. Events outside the control of a Fund's portfolio company, such as political action, governmental regulation, demographic changes, economic conditions, government macroeconomic policies, political events, social instability, 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, 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 a 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 significant capital expenditures and various risks and are subject to substantial regulation (as described herein), 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. 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 Fund's portfolio company become operational, they may 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.

Public Demand and 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. A Fund may invest in portfolio companies that derive substantially all of their revenues from tolls, tariffs or other usage-related fees. Users of the applicable service may react negatively to any adjustments to the applicable rates, or public pressure may cause a government or agency to challenge such rates. In addition, adverse public opinion, or lobbying efforts by specific interest groups, could result in government pressure to reduce rates or to forego planned rate increases. If public pressure or government action forces a portfolio company to restrict its rate

increases or reduce their rates, and it is not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, a Fund or the applicable portfolio company's business, financial condition and results of operations. To the extent that a Fund's assumptions regarding demand, usage and throughput prove incorrect, returns to a 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, a Fund's or the applicable portfolio company's operating results for any particular investment in any particular quarter may not be indicative of the results that can be expected for such investment throughout the entire year.

Development Risks. The successful development and construction of new, or expansion of existing, infrastructure projects, and investment in infrastructure assets generally, entails a variety of risks (some of which may be unforeseeable at the time a project is commenced) and may require or result in 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 factors may include: political or local opposition, governmental regulation, demographic changes, economic and market conditions including economic growth, increasing fuel prices, government macroeconomic policies, toll, tariff and other fee rates, social stability, technical obsolescence, competition from untolled or other forms of transportation, receipt of regulatory approvals or permits, site or land procurement, environment related issues, labor disputes (such as work stoppages), acts of God, fire, flood, earthquakes and other natural disasters, changes in weather, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, counterparty non-performance, changes in demand for products or services and other changes in the financial position or business strategy of customers, defective design or construction, bankruptcy or financial difficulty of a major customer or supplier, unanticipated changes in the availability or price of inputs necessary for the operation of infrastructure assets, project feasibility assessment, less than optimal coordination with public utilities in the relocation of their facilities, dealings with and reliance on third-party consultants, slower than projected construction progress and the unavailability or late delivery of necessary equipment, legal action from special interest groups, adverse weather conditions, unexpected construction conditions, and other construction risks. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken, any of which could have an adverse effect on a Fund. When making an investment, value may be ascribed to infrastructure projects (new or expansion) that do not achieve successful implementation, potentially resulting in a lower than expected internal rate of return over the life of the investment. In addition, there are significant capital expenditures associated with the development of infrastructure assets generally. 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 startup. 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 adverse effects 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. Market conditions and laws may change during the course of development that makes such development less attractive than at the time it was commenced.

Power Purchase and Customer Offtake Agreement Risks. Portfolio companies may enter into power purchase agreements ("PPAs") or customer offtake agreements ("Offtake Agreements") with respect to water infrastructure, wastewater and power operations. Payments by water, wastewater or power purchasers to such companies pursuant to their respective PPAs or Offtake Agreements may provide

the majority of such companies' cash flows. There can be no assurance that any or all of the purchasers will fulfill their obligations under their PPAs or Offtake Agreements or that a purchaser will not become bankrupt or that upon any such bankruptcy its obligations under its respective PPA or Offtake Agreement will not be rejected by a bankruptcy trustee. There are additional risks relating to the PPAs or Offtake Agreements, including the occurrence of events beyond the control of a purchaser that may excuse it from its obligation to accept and pay for delivery of the water or energy generated by a company. Subject to the terms of each applicable PPA or Offtake Agreement, such events may include, but are not limited to (i) a system emergency, transmission failure, adverse weather conditions or labor disputes, (ii) under certain PPAs or Offtake Agreements, an extended force majeure event that may give rise to a termination right by a purchaser under such PPA or Offtake Agreement, and (iii) under certain PPAs or Offtake Agreements, an extended failure to deliver minimum quantities of water or energy or meet minimum mechanical availability levels (due to lack of wind, interconnection arrangements or otherwise) that could entitle the purchaser to claim and receive damages or, in some cases, terminate the PPA or Offtake Agreement or reduce the contract price payable for water or energy under the PPA or Offtake Agreement. The failure of a purchaser to fulfill its obligations under any PPA or Offtake Agreement or the termination of any PPA or Offtake Agreement may have a material adverse effect on a portfolio company.

Equipment Risks. Across diversified infrastructure sectors (i.e., cold chain storage and specialty logistics, clean energy solutions for real estate asset owners, distributed / backup power and resiliency, clean alternative shipping fuels and bunkering, waste treatment and recycling, and critical manufacturing), the generation and transmission of energy, water and electricity requires the use of expensive and complicated equipment. While the Funds will in the ordinary course cause its portfolio companies to implement maintenance programs, generating plants are subject to unplanned outages because of equipment failure. If such an equipment failure occurs while a Fund or one of its respective portfolio companies is party to a Offtake Agreement or PPA, such Fund or such portfolio company may be subject to financial penalties to its customers or may be required either to produce replacement power or water from potentially more expensive units or purchase power or water from others at unpredictable and potentially higher cost in order to supply its customers and perform its contractual agreements. Any of these results could increase costs materially and adversely affect the amount of funds available for distribution to investors. These factors, as well as weather, interest rates, economic conditions, fuel availability and prices, price volatility of fuel and other commodities and transportation availability and costs are largely beyond the control of the Funds, but may have a material adverse effect on such Fund's earnings, cash flows and financial position.

In addition, the wind turbines, solar panels, solar trackers and other equipment used in renewable energy projects are still evolving and, as a result, much of the equipment being used has not undergone extensive field testing over a period of years to determine its long-term costs of operation or its durability. Manufacturing and delivery of the equipment as well as its timely installation may also be difficult due to rapidly changing product designs and general manufacturing issues. Also, as with any equipment purchase, the purchaser is subject to the risk that the equipment, software or processes may be protected intellectual property of third parties, which may subject a portfolio company to the risk of being unable to use the equipment as well as paying damages for its prior use. Each of these risks could result in late delivery or project underperformance. If the project is not delivered on time, at required productivity and capacity levels, not only will there be a drop in revenues, but Offtake Agreement or PPA or financing commitments may not be met, leading to project failure. To protect against these risks, equipment suppliers or balance of plant contractors typically provide a guaranty of timely completion and a two-to-ten year (sometimes longer) equipment performance warranty. These warranties typically protect project owners against equipment capacity and efficiency shortfalls while they are effective. In most cases, however, the investment period in a project will extend beyond the warranty period. Furthermore, some equipment manufacturers or contractors may not be sufficiently

capitalized to enable them to respond to all customer claims, especially serial defect warranty claims. As competition among equipment suppliers continues to drive down the cost of some wind turbines and solar panels, there is a risk that some equipment manufacturers may be unable to honor their warranty claims. In the context of financing, projects are typically exposed to vendor credit, as a credit event around a key vendor is often a financing event of default. A defect in vendor credit may also lead to a violation of financing. In the event of a failure of any equipment after the end of the warranty period (or during the warranty period if the supplier or contractor does not have the ability to respond), a portfolio company may incur significant costs to keep the project operational or lose the project.

Contract Revenues. Part of a portfolio company's projected revenues and cash flows may be fully or partially recurring and/or under contract. However, there are no guarantees that any of the contractual revenues will materialize as projected. Should any of the customers or counterparties fail to pay their contractual obligations, significant revenues could cease and become irreplaceable. This would adversely affect the profitability of a portfolio company.

Real Estate Market. There is no assurance that the operations of a Fund will be profitable or that cash from investments will be available for distribution to its limited partners. Since real estate, like many other types of long-term investments, historically has experienced significant fluctuations and cycles in value, specific market conditions can result in occasional or permanent reductions in the value of real property interests. The marketability and value of the real property interests will depend on many factors beyond the control of the Funds and the Adviser, including, without limitation: (i) changes in general or local economic conditions; (ii) changes in supply or demand for competing properties in an area; (iii) changes in interest rates; (iv) promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection, and occupational safety; (v) unavailability of mortgage funds which may render the sale of a property difficult; (vi) the financial condition of tenants, buyers, and sellers of properties; (vii) changes in real estate tax rates and other operating expenses; (viii) the imposition of rent controls; (ix) energy and supply shortages; (x) various uninsured or uninsurable risks; and (xi) acts of God and natural disasters. Investments in multi-family housing in particular are subject to a number of factors affecting the demand for such housing, including, but not limited to, the national economic climate, the local economic climate (which can be adversely impacted by industry slowdowns, business or military base closings, and changing demographics), local real estate conditions (such as oversupply of or reduced demand for apartments), the perceptions of prospective residents of the safety, convenience, and attractiveness of the communities or neighborhoods in which such multi-family housing units are located and the quality of local schools and other amenities, and other factors beyond the control of the Adviser or the Funds. Because investments in real estate generally are not liquid, there is no assurance that there will be a ready market for real property interests held by a Fund.

Real Estate Tenants. Adverse changes in the operation of any acquired property, or the financial condition of any tenant, could have an adverse effect on the Adviser's ability to collect rent payments and, accordingly, on its ability to make distributions to a Fund's limited partners. A commercial tenant of an acquired property may experience, from time to time, a downturn in its business, which weakens its financial condition and result in the failure to pay rent when due. The ability of residential tenants to pay rent when due can also be affected by changes in the national and local economic climate or other factors beyond the control of the Adviser or the Funds. At any time, a tenant can seek the protection of bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the distributable cash flow of a Fund. No assurance can be given that tenants will not file for bankruptcy protection in the future or, if any tenants file, that they will affirm their leases and continue to make rental payments in a timely manner. If a tenant's lease is not affirmed following bankruptcy or if a tenant's financial condition weakens, a Fund's operating cash flow may be adversely affected.

Foreclosure. It is possible that a Fund would find it necessary or desirable to foreclose on some of the collateral securing one or more debt investments. The foreclosure process can be lengthy and expensive. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, which can have the effect of further delaying the foreclosure process.

Foreclosure litigation tends to create a negative public image of the collateral property and result in disrupting ongoing leasing and management of the property.

Under certain circumstances, lenders who have inappropriately exercised control of the management or policies of a debtor can be found liable for damages suffered by various parties as a result of such actions. In addition, under certain circumstances, payments to a Fund can be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Following a foreclosure, a Fund subsidiary would need to operate the collateral property, thus subjecting the Fund subsidiary to environmental and other risks associated with the ownership and operation of real property. Furthermore, there can be no assurance that the Fund would be able to sell its foreclosed properties at a price that would result in a return on the original investment.

Insurance. The Adviser generally maintains, where appropriate and available at a reasonable cost to the Funds, comprehensive casualty insurance on its real property. The Adviser seeks to obtain coverage of the type and in the amount customarily obtained by owners of properties similar to the real property held by the Funds. However, there may be a limited number of cases where the coverage of insurance may differ from the Adviser's general guidelines for reasons such as the value of the asset being primarily attributable to the underlying land or the building being functionally obsolete. Additionally, there are certain types of losses that are generally of a catastrophic nature, such as earthquakes, floods, and hurricanes, that can be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, provisions in loan documents encumbering properties that have been pledged as collateral for loans, and other factors also might make it economically impractical to use insurance proceeds to replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds received by a Fund, if any, may not be adequate to restore the Fund's investment with respect to the affected property.

Investments through Partnerships and Joint Ventures. A Fund may make investments through partnerships, joint ventures, operating companies, corporations, companies, or other entities (including, without limitation, restructures of existing partnerships or other entities). Such investments may involve risks not present in direct investments, including, for example, the possibility that an operating company, co-venturer, or partner of the Fund may commit fraud, become bankrupt, or have economic or business interests or goals which are inconsistent with those of the Fund, or that any such operating company, co-venturer, or partner may be in a position to take action contrary to the Fund's objectives. Furthermore, if a co-venturer or partner defaults on its funding obligations, it may be difficult for the Fund to make up the shortfall from other sources. The Limited Partners may be required to make additional contributions to replace such shortfall, thereby reducing the diversification of their investments. Any default by such co-venturer or partner could have an extremely deleterious effect on the Fund, its assets, and the interests of the Limited Partners. In addition, the Fund may be liable for actions of its co-ventures or partners. While the General Partner will attempt to limit the liability of the Partnership by reviewing the qualifications and previous experience of co-ventures or partners, it does not expect generally to obtain financial information from, or to undertake private investigations with respect to, prospective co-ventures or partners.

Environmental Liabilities. Under various federal, state, and local laws and regulations, an owner or operator of real estate can be held liable for the costs of removal or remediation of hazardous or toxic substances located on or in the property. These laws often impose such liability without regard to whether the owner knew of, or was responsible for the presence of, such hazardous or toxic substances. The costs of any required removal or remediation of such substances can be substantial. In addition, a Fund's liability as to any property is generally not limited under such laws and regulations and could exceed the value of the property and/or the aggregate assets of the Fund. The presence of such substances, or the failure to remediate such substances properly, may also adversely affect the owner's ability to sell or lease the property or to borrow using the property as collateral. A Fund may also be liable for environmental contamination of properties that are sole or for the release of hazardous or toxic substances from such properties.

Generally, the Adviser will receive or obtain Phase 1 environmental audits on all of the properties acquired by the Funds. The purpose of these audits is to identify potential sources of contamination for which such properties can be responsible and to assess the status of environmental regulatory compliance. There can be no assurance, however, that such audits will be performed on all properties and/or that they will reveal all environmental liabilities relating to an acquired property.

Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues. Our business activities as well as the Funds and their operations and investments, could be materially adversely affected by pandemics, epidemics and outbreaks of disease in Asia, Europe, North America and/or globally or regionally, such as novel coronavirus, or COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, and/or other epidemics, pandemics, outbreaks of disease, viruses and/or public health issues. Specifically, novel coronavirus, or COVID-19, has spread rapidly around the world since its initial emergence in China in December 2019 and has severely negatively affected (and may continue to materially adversely affect) the global economy and equity markets (including, in particular, equity markets in Asia, Europe and the United States). Although the long-term effects or consequences of novel coronavirus (or COVID-19) and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, previous occurrences of other pandemics, epidemics and other outbreaks of disease, such as H5N1 flu, H1N1 flu, SARS and the Spanish flu, had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent. Any occurrence or recurrence (or continued spread) of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of the Adviser and the Funds. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to spread or materially impact the day to day lives of persons around the globe), the Adviser and the Funds could be adversely affected by more stringent travel restrictions, additional limitations on (or temporary or permanent cessation of) the Adviser's operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).

Force Majeure. A Client's investments may be affected by force majeure events (i.e. events beyond the control of the party claiming that the event has occurred, including without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes government macroeconomic policies, social instability). Some force majeure events may adversely affect the ability of any such parties to perform their obligations until they are able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service.

Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally.

Failure of Counterparties to Perform Obligations. In its ordinary course of business, the Adviser relies on various counterparties, which include, but is not limited to, brokers, dealers, banks, custodians, and administrators (“Counterparties”). These Counterparties, with which the Adviser does business and on behalf of a Fund, may, from time to time, default on their obligations with or without notice. Such defaults include, but are not limited to, a Counterparty’s bankruptcy, insolvency, or other failure. A Counterparty’s default on their obligations may impact the Adviser’s or the Fund’s ability to conduct its business in the ordinary course. There is a risk of loss of assets on deposit at the Counterparty. Although government agencies or other organizations provide insurance coverage to depositors in the event of a Counterparty failure, coverage is limited to a specified amount and subject to rules and regulations. Prior events where a government agency or other organization stepped in to make depositors whole over their excess deposits at select Counterparties, which may or may not have a current or prior relationship with the Adviser or the Fund, should not be construed as a guarantee that such action will be taken in the future. There is no guarantee that any excess deposits are recoverable. In the event of a Counterparty’s default, the Adviser will work diligently to access its capital and take actions it deems appropriate while acting in the best interest of the Fund. However, the Adviser’s access to capital is subject to a variety of external factors that are outside of the Adviser’s control, including the timing of default, a government agency’s or other organization’s actions, including the timing of the Counterparty’s closure, ability to liquidate the Counterparty’s assets, or to effect the Counterparty’s sale or dissolution, unforeseeable economic factors or market conditions, and the Counterparty’s technology infrastructure operating as intended to facilitate access. Furthermore, the Adviser’s ability to access capital may have an impact on the Adviser’s and the Fund’s ability to conduct operations in the normal course including, but not limited to paying expenses, funding investment opportunities resulting in delayed or missed opportunities, and calling capital from or making distributions to limited partners. Deposits concentrated at one or a limited number of Counterparties may amplify these risks.

For a more complete description of the risks associated with investing in a Fund, investors should refer to the relevant Offering Documents for each Fund.

Item 9 - Disciplinary Information

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

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory services or the integrity of management.

Item 10 - Other Financial Industry Activities and Affiliations

- A. The Adviser 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 the Adviser are registered representatives of a broker-dealer.
- B. Neither the Adviser 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.
- C. In connection with sponsoring any limited partnership, the Adviser will also sponsor an affiliated general partner for such limited partnerships, which will receive certain compensation as described in Item 5. Other than these affiliated general partner entities and, in certain circumstances, serving directly as the Adviser of limited partnerships sponsored by the Adviser, the Adviser has no relationships or arrangements with any related person listed in the instructions to Item 10.C. that are material to its advisory business or to its Funds.
- D. The Adviser does not recommend or select other investment advisers for the Funds.

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

- A. The Adviser 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 Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser’s employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. The Adviser prohibits personal trading on certain securities or instruments; requires pre-clearance of personal trades in certain circumstances, including purchases of an IPO, REIT, or a new real estate private placement; requires periodic reporting of employees’ personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

While the Adviser very rarely has access to non-public information relating to public companies, as part of its Code, the Adviser has established procedures to prevent 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 the Adviser 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 the Adviser has received material non-public information and, therefore, cannot trade on the basis of that information. In addition to procedures to prevent the abuse of material, non-public information, the Code contains policies and procedures covering standards of conduct, political contributions, potential conflicts of interest (including but not limited to gifts, entertainment, and outside business activities of Adviser Personnel), and Client confidentiality.

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

- B. Affiliates of the Adviser serve as the General Partners to the Funds, which issue partnership interests to third party investors. Other than with respect to these structures, neither the Adviser nor any of its related persons recommend to the Funds, or buy or sell for Funds, investments in which the Adviser or any related persons have a material financial interest.
- C. The Principals and other members of the management team make significant capital Commitments in each Fund. Principals have the option to invest such amounts pro rata with the limited partners of each Fund in all Fund portfolio investments. Other than any such investments in the Funds, neither the Adviser nor any of its related persons invest in the same or related securities that either the Adviser or its related persons recommend to the Funds.
- D. Neither the Adviser nor any related person recommends investments to the Funds, or makes investments for the Funds, at or about the same time that the Adviser or its related persons buys or sells the same investments for their own account.

Potential Conflicts of Interest. Prospective limited partners should be aware that there will be occasions when the Adviser and its respective affiliates will encounter potential conflicts of interest in connection with a Funds activities, including certain conflicts of interest. The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated by investors. The potential conflicts of interest below are not intended to be exhaustive. Prospective limited partners in a Fund should carefully review the risks described in the applicable Fund’s Offering Documents.

Allocation of Investment Opportunities; Other Investment Vehicles. The Adviser, may from time to time, raise, sponsor, manage, otherwise provide discretionary investment management and/or advisory services to, or source investments for, other investment vehicles (including, without limitation, other Funds, investment vehicles, separately managed account arrangements, special purpose vehicles and co-investment vehicles), some of which may have investment objectives that overlap with (but are not substantially similar to) those of an existing Fund and/or engage in transactions similar to the types of investments as an existing Fund. Although the Funds may have the ability to make a wide variety of types of investments, a fund, account, vehicle, or other similar product will not be considered to have a substantially similar investment objective as such Fund(s), including for purposes of the restrictions on formation of a “Successor Fund” under the governing documents of such Fund, unless such fund, account, vehicle or other similar product has as its primary investment objective a substantially similar investment profile to that of the original Fund, including the same target markets. Such other investment vehicles may be sponsored by the Adviser individually or through joint venture arrangements with other private equity sponsors or others. Such other investment vehicles may invest primarily in investments located in the United States, outside the United States or globally. The Adviser (or the applicable affiliate, associate, director, officer, stockholder, member or other related party thereof) will independently determine in its sole discretion in the first instance (in accordance with such Fund’s governing documents) whether an investment opportunity that would be appropriate to present to the investment committee for potential investment by a particular Fund will be allocated instead to other investment vehicles, and *vice versa*. In light of the foregoing, each investor acknowledges that there can be no assurance that any given opportunity will be allocated to the Fund in which such investor participates.

Each Fund may invest directly or indirectly in companies or other entities in which other Funds may have a different principal investment or vice versa. In such situations, such Funds may have conflicting interests. The financial terms of any affiliate investment being made by a Fund will, in the good faith judgment of the General Partner, be fair to such Fund and on terms no less favorable to such Fund than the terms on which an unaffiliated third party would be willing to invest. Actions may be taken for any other Funds that may be adverse to such Fund, and conflicts may arise in determining the amount of an investment, if any, to be allocated among the potential investors and the respective terms thereof. There can be no assurance that the return on a Fund’s investment will be equivalent to or better than the returns obtained by the other participants in such investment. It is possible that in a bankruptcy proceeding, a Fund’s interest may be subordinated or otherwise adversely affected by virtue of the involvement and actions of an affiliate of the Adviser relating to its investment.

Allocation of Expenses. The General Partner will have a conflict of interest in allocating certain expenses among potential limited partners as well as among the Funds. Among other approaches, the Adviser’s allocation policy may provide for allocation of such expenses across the Adviser’s platform based solely on capital commitments, invested capital or available capital, as applicable, without regard to the specific services provided to any Fund, vehicle and/or account, but in certain circumstances may allocate such expenses in a different manner if the General Partner of the respective Fund determines in good faith that doing so is more equitable or appropriate under the circumstances. Additionally, to the extent a potential investment has been preliminarily allocated to one Fund and the Adviser ultimately determines that the potential investment is more appropriate for another Fund, such other Fund may incur and be responsible for expenses relating to such potential investment that were incurred by the original Fund prior to it being allocated to the other Fund (and such other Fund may reimburse the original Fund with respect to any such expenses). The Funds may, in accordance with their respective governing agreements, also bear as partnership expenses the costs of preliminary activities related to the sourcing of investments (such as prospecting for investments), which will include any costs or expenses incurred in connection with attending asset management or infrastructure industry conferences and the costs and expenses of market data and research. Each General Partner will make

expense allocation judgments in its fair and reasonable discretion, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable. A different manner of allocation may result in a Fund, vehicle, or account bearing less (or more) expenses.

Valuation Matters. The fair value of all investments or of property received in exchange for any investments will be determined by each General Partner in accordance with the governing agreements of the respective Fund and the Sponsor's valuation policy. The valuation methodologies used to value any asset will involve subjective judgments and projections and such subjective judgments and projections may not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. It may be the case that the carrying value of an investment may not reflect the price at which the investment is ultimately sold in the market, and the difference between carrying value and the ultimate sales price could be material. There will be no retroactive adjustment in the valuation of any investment or the Management Fees, carried interest and/or other fees paid to the Adviser or a General Partner to the extent any valuation proves to not accurately reflect the realizable value of an investment. The valuation of investments may affect the amount and timing of each General Partner's carried interest and, under certain circumstances and following the Commitment Period, the amount of Management Fees payable to the Adviser. There may be circumstances where a General Partner is incentivized to determine valuations that are higher than the actual fair value of investments. The ultimate realization of the value of an investment will also depend on economic, political, regulatory, market and other conditions beyond the General Partner's control, including the type of market volatility characterizing the current economic environment. As such, the resulting valuations of securities or financial instruments will likely differ from values that would have been determined had an active market existed for such securities or had there been less market volatility.

Portfolio Company Relationships. Certain of the portfolio companies of Funds may be counterparties or participants in agreements, transactions, or other arrangements with the participating Fund(s) or other Funds or their respective portfolio companies for the provision of goods and services (e.g., asset management services), purchase and sale of assets and other matters. These agreements, transactions and other arrangements will involve payment of fees and other amounts and/or other benefits to the Adviser and/or a portfolio company, as applicable, none of which will result in an offset to the Management Fees, notwithstanding that some of the services provided by such portfolio company or other Fund's portfolio company, as applicable, are similar in nature to the services provided by a General Partner and/or the Adviser.

Subject to the terms of the governing agreements of each Fund, such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of the Funds or the consent of their respective LP committee and limited partners, as applicable. This is because, among other considerations, portfolio companies of the Funds are generally not considered affiliates of the Adviser under the governing agreements of the Funds. Although the Adviser or the relevant affiliate, as applicable, determines such agreements, transactions or other arrangements to be consistent with the requirements of such entity's governing agreements, such agreements, transactions or other arrangements may not have otherwise been entered into but for the affiliation with the Adviser or the relevant affiliate. There can be no assurance that the terms of any such agreement, transaction or other arrangement will be as favorable to the Funds as otherwise would be the case if the counterparty were not related to the Adviser.

Additionally, the Adviser may hold equity or other investments in companies or businesses (even if they are not "affiliates" of the Adviser under the governing agreements) that provide services to or otherwise contract with portfolio companies. In connection with such relationships, the Adviser may

also make referrals and/or introductions to portfolio companies (which may result in financial incentives (including additional equity ownership) and/or milestones benefitting the Adviser that are tied or related to participation by portfolio companies). The Funds and the limited partners will not share in any fees or economics accruing to the Adviser as a result of these relationships and/or participation by portfolio companies.

Co-Investment Opportunities. Prospective investors should note that while the General Partners may offer co-investment opportunities in their sole discretion, subject to the governing agreements of the relevant Fund, it is not expected to offer co-investment with respect to all investments made by the Funds. Prospective investors should also note that investors are not required to participate in co-investments offered by the General Partners and that the General Partners may not offer all investors in the relevant Fund the opportunity to invest in any co-investment opportunity. Moreover, transaction-specific returns, and a Limited Partner's overall returns from its exposure to a particular Fund's investments, may be affected significantly by the extent to which such limited partner is offered and chooses to participate in co-investment opportunities and the economic and other terms offered to such investor. The actual number of co-investment opportunities made available to any limited partner may be higher or lower than those made available in connection with such limited partner's investment in any other Fund, if applicable. The General Partners may present co-investment opportunities to certain limited partners and other third-party potential strategic co-investors (including co-bidders and/or consortium members) at any time and with respect to any particular co-investment opportunity, at different times. Thus, one or more limited partners and/or other third-party potential strategic co-investors (including co-bidders and/or consortium members) may have a longer period of time to evaluate a co-investment opportunity relative to other potential co-investors being offered the same opportunity, whether because the underlying portfolio company imposes limitations on what information may be shared with parties other than the General Partner, regulatory considerations or otherwise. In addition, as described more fully below, the Adviser, the other Funds, operating partners, senior advisors and senior management of certain portfolio companies may co-invest with the other Funds.

Subject in all circumstances to each General Partner's (and its respective affiliates') legal and regulatory obligations and the legal, regulatory, tax or other similar considerations applicable to the relevant investment, the General Partners intend to consider the availability of co-investment opportunities on a case by case basis. The General Partners generally retain discretion to consummate any potential investment without providing any co-investment opportunity, or otherwise disregarding any co-investment priority, if it should deem it in the best interests of the potential investment or the respective Fund for which such General Partner acts as general partner more broadly. As a result, there could be circumstances where co-investment opportunities are allocated to certain limited partners ahead of other limited partners.

The General Partners will, subject to the governing agreements of each Fund, take into account various facts and circumstances deemed relevant by such General Partner in allocating co-investment opportunities, and such other factors that such General Partner deems relevant and appropriate to consider under the circumstances, including, but not limited to, the sourcing of the transaction, the nature of the investment objective, investment focus, mandate or policies, target return profile or projected hold period, focus of potential co-investors, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for the Fund and each such other potential co-investor. The General Partners may in the future also allocate a portion of certain co-investment opportunities to standing vehicles formed for the purpose of participating in co-investment opportunities alongside the Funds.

In addition, the Adviser may be incentivized to offer certain potential co-investors opportunities to co-invest in priority or on more favorable terms than other co-investors since the amount of performance-based compensation and/or management fee to which the relevant General Partner and/or its affiliates are entitled under the arrangements with such co-investors, including with respect to such co-investor's participation in the relevant Fund or other Funds, may depend on, among other things, the extent to which such co-investors participate in co-investments or other aspects of such co-investors' relationship with the Adviser. The amount of expenses charged and/or Management Fees or other fees paid (or offset) by the relevant Fund may be less than or exceed such amounts charged or paid by co-investment vehicles pursuant to the terms of such vehicles' partnership agreements and/or other agreements with co-investors, and such variation in the amount of fees and expenses may create an economic incentive for the Adviser to allocate a greater or lesser percentage of an investment opportunity to the relevant Fund or such co-investment vehicles or co-investors, as the case may be. In addition, other terms of existing and future co-investment vehicles can be expected to differ materially, and in some instances may be more favorable to the Adviser, than the terms of the relevant Fund, and such different terms may create an incentive for the Adviser to allocate a greater or lesser percentage of an investment opportunity to the relevant Fund or such co-investment vehicles, as the case may be. Such incentives will from time to time give rise to conflicts of interest, and there can be no assurance that such conflicts of interest will be resolved in favor of the relevant Fund and its limited partners. Accordingly, any investment opportunities that would have otherwise been allocated, in whole or in part, to a Fund may be reduced and made available to co-investment vehicles. Co-investments may be offered by the General Partners on such terms and conditions (including with respect to Management Fees, performance-based compensation, and related arrangements) as the General Partners determine in their discretion on a case-by-case basis.

Diverse Limited Partner Group. The limited partners of each Fund can be expected to have conflicting investment, tax and other interests with respect to their investments in the relevant Fund and with respect to the interests of investors in other investment vehicles managed or advised by the Adviser that may participate in the same investments as such Fund, and investment personnel may have incentives or conflicts with respect to their investments in the Funds, including matters the Adviser is not aware of. The conflicting interests of individual limited partners with respect to other limited partners and relative to investors in other investment vehicles are expected to generally relate to or arise from, among other things, the nature of investments made by the relevant Fund and such other investment vehicles, the structuring or the acquisition of investments, the allocation of co-investment opportunities, financing, tax profile and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made or advice provided (as applicable) by the Adviser, including with respect to the nature or structuring of investments, which in certain cases will likely be more beneficial for one or more (but not all) limited partners than for another limited partner. In addition, the Funds can be expected to make investments that will, in certain circumstances, have a negative impact on, or complete with, related investments made by the limited partners in separate transactions and/or Funds.

In selecting and structuring investments appropriate for each Fund, and managing and disposing of such investments, the Adviser will seek to consider the investment and tax objectives of each Fund and its partners as a whole (and those of investors in other investment vehicles managed or advised by the Adviser that participate in the same investments as such Fund), and generally not the investment, tax or other objectives of any limited partner individually, unless otherwise agreed with a limited partner in a side letter agreement. However, in certain situations a General Partner may agree to structure an investment in a manner that is more favorable to one or more (but not all) limited partner than for another limited partner. Additionally, a General Partner may elect to exclude certain limited partners from particular investments for legal, tax, regulatory or other similar reasons applicable to any such investment, in which case non-excluded limited partners will be allocated a greater proportionate

interest in such investment. In addition, certain limited partners may also be limited partners in other Funds sponsored or managed by the Adviser, including co-investment vehicles that may invest alongside the relevant Fund in one or more investments. Limited partners may also include affiliates of the Adviser, such as current or former employees of the Adviser and/or consultants.

Not all limited partners monitor their investments in the Funds in the same manner. For example, certain limited partners may periodically request from the relevant General Partner information regarding the relevant Fund and its investments and/or portfolio companies that is not otherwise set forth in (or has yet to be set forth in) the reporting and other information required to be delivered to all limited partners. In such circumstances, such General Partner may provide such information to such limited partner, but because the General Partner has provided such information upon request by one or more limited partners does not mean the General Partner will be obligated to affirmatively provide such information to all limited partners (although the General Partners will generally provide the same information upon request and treat limited partners equally in that regard). As a result, certain limited partners may have more information about the Funds and their respective investments than other limited partners, yet the General Partners will have no duty to ensure all limited partners seek, obtain or process the same information regarding the Funds and their investments and/or portfolio companies. In addition, certain limited partners may also be limited partners in other Funds and accounts managed by the Adviser. It is also possible that one Fund or such Fund's portfolio companies will be counterparties or participants in agreements, transactions (including co-investments) or other arrangements with a limited partner or an affiliate of a limited partner. Such transactions may include agreements to pay performance fees to operating partners in connection with investments, which will reduce a Fund's returns and will not necessarily be subordinated to the return of capital contributions by the limited partners of such Fund. The limited partners described in the previous sentences may have different information about, and relationships with, the Adviser and the relevant Fund than limited partners not similarly positioned. In addition, conflicts of interest may arise in dealing with any such limited partners, and the Adviser may not be motivated to act solely in accordance with its interests relating to such Fund.

Certain limited partners will have representatives on the LP committees of a particular Fund (each, an "LP Committee"). The LP Committees will have a role in certain matters regarding the Funds, including with respect to certain conflicts of interest, in each case as provided in the governing agreements of each Fund. The governing agreements of each Fund will generally provide that to the fullest extent permitted by law, (i) none of the members of the LP Committee, nor the limited partners on behalf of whom such members act as representatives, if applicable, shall owe any duties (fiduciary or otherwise) to any other limited partner of such Fund in respect of the activities of such LP Committee and (ii) in taking or omitting to take any action, a member of the LP Committee may act solely in the interests of the limited partners which it represents, if applicable. Furthermore, members of the LP Committee may have various business and other relationships with the Adviser and its affiliates (including representing limited partners with interests in other Funds managed by the Adviser or portfolio companies of a Fund, or that is a lender, adviser, or service provider to any of the foregoing, a Fund or the Adviser). The presence of these other relationships may influence their decisions as members of the LP Committee and cause them to favor their interests in these other investments over their interests in the Fund, thereby creating an actual or potential conflict of interest for such Fund.

To the extent limited partners vote on any matter regarding conflicts or otherwise participate in matters involving a vote or action of the limited partners, any limited partner may have an interest in a Fund, the Adviser, any other Fund or a portfolio company of one or more Fund (or be a lender, advisor or service provider to any of the foregoing) and, as a result, may not be motivated to vote solely in accordance with its interests related to Fund in connection with which it is voting. Moreover, such limited partners are unrestricted from voting, and may affirmatively vote, in a manner that is adverse to the investments of other limited partners and the relevant Fund. Moreover, the limited partners in the

Funds generally vote based on Capital Commitments. Accordingly, action by one or more relatively large limited partners in a Fund could affect the outcome of votes submitted to such Fund.

In addition, it is also expected that the Adviser will from time to time confirm factual matters to incoming investors in the Funds, make statements of intent or expectation to such investors or acknowledge statements by such incoming investors that relate to the Funds and/or the Adviser's activities pertaining thereto in one or more respects. In addition, the Adviser may from time to time agree to certain matters relating to knowledge transfer and/or secondments with one or more investors as part of an overall firm relationship. Any such statements, confirmations, agreements or acknowledgements, including those made in response to an investor's due diligence requests, will not involve the granting of any legal right or benefit, and the limited partners generally will as a result not typically receive notice of any such confirmation, statements or acknowledgements or copies of the documentation (if any) in which they are contained. There can be no assurance that any such arrangements will not have an adverse effect on the Funds or that such arrangements will not influence the Adviser's activities or the operations of the Funds.

Sponsor Policies, Procedures and Practices. Policies, procedures and practices implemented by the Adviser from time to time (including as may be implemented in the future) to mitigate potential conflicts of interest and to address certain regulatory requirements and contractual restrictions may reduce the synergies across the Adviser's areas of operation or expertise that the Funds expects to draw on for purposes of pursuing attractive investment opportunities. Because the Adviser advises many Funds, including investment and asset advisory and management responsibilities, they are subject to a number of actual and potential conflicts of interest, additional regulatory considerations and more legal and contractual restrictions than that to which they would otherwise be subject if they focused only on a single Fund. In addressing these conflicts and regulatory, legal, and contractual requirements across its various businesses, the Adviser has implemented and may in the future implement certain policies and procedures (such as, for example, information walls) that may reduce the positive synergies that the Funds expect to utilize for purposes of finding attractive investments. As a consequence, information which could be of benefit of a Fund might become restricted to certain business units within the Adviser and otherwise be unavailable to such Fund. In that regard, it is possible that in the future the Adviser may establish additional information barriers or other forms of separation between certain professionals, such as those who are primarily involved in trading marketable securities or liquid instruments, credit instruments or distressed investments, on the one hand, and other professionals, such as others who are primarily involved in privately negotiated or illiquid investments, on the other, and in such event it is possible that the Funds may not be able to avail themselves of the full resources of the Adviser. In addition, there can be no assurance that walling off procedures can be implemented efficiently or successfully in all cases. Additionally, the terms of confidentiality or other agreements with or related to companies in which the Adviser has or has considered making an investment or which is otherwise an advisory client of the Adviser may restrict or otherwise limit the ability of the Funds and/or their respective portfolio companies and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies.

Related Party Transactions. The Adviser is expected, in its discretion, to contract with related persons to perform services in connection with the Adviser's provision of services to the Funds. When engaging a related person to provide such services, the Adviser may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost. The Adviser has in place protocols and practices that are designed to mitigate any conflicts of interest with respect to the above recommendations, but there can be no assurances that such protocols and practices will be effective.

The Adviser may recommend to the Funds an entity with which the Adviser or its personnel has a relationship or from which the Adviser or its personnel otherwise derive financial or other benefit. When making such a recommendation, the Adviser may, because of its financial or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost. The compensation paid to a related person will not result in an offset of the Management Fee payable by the Funds.

Item 12 - Brokerage Practices

- A. The Adviser's investment strategy involves acquiring and managing middle-market real estate properties, debt securities and operating platforms within the critical infrastructure sector. While the Funds can invest in debt or loans secured by real estate assets, the Funds have not purchased or sold publicly traded equity securities. As a result, the Adviser does not select or recommend broker-dealers for the purchase and sales of securities for the Funds.

The Adviser does not maintain any trading accounts and does not use "soft" dollars received from broker-dealers from the purchase and sales of securities for the Funds. However, the Adviser may receive ancillary benefits from real estate brokers used by the Adviser for the Funds' non-securities transactions, such as the purchase or sale of real estate property. Such benefits can include research services, introductions to sellers, buyers, lenders and other service providers, underwriting services, and such other services typically provided by real estate brokers to their clients. The Adviser does not select real estate brokers based on the potential to receive any ancillary benefits and does not cause any Fund to pay a higher commission than those charged by other real estate brokers in return for these benefits.

- B. Not Applicable.

Item 13 - Review of Accounts

- A. The Adviser conducts a review of its portfolio company investments held by the Funds not less than once a month. These reviews consist of an operational update, a review of any leasing and tenancy matters, and a review of financial performance. All firm investment and operational staff participate in the ongoing monitoring of Fund portfolio company investments.
- B. See Item 13.A. above.
- C. Annually, the Adviser assists each Fund in furnishing all limited partners with (i) audited written financial statements prepared in accordance with generally accepted accounting principles, accompanied by the report of its independent certified public accountants, and (ii) tax information necessary for the completion of tax returns. In addition, on a quarterly basis, the Adviser assists each Fund in developing unaudited financial statements that the Fund furnishes to its limited partners. Such reports are sent to the limited partners of a Fund by such Fund's accountants or General Partner following review by the Adviser.

Item 14 - Client Referrals and Other Compensation

- A. The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Funds.
- B. While not a client solicitation arrangement, with respect to the Funds, the Adviser has entered 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 Funds. 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 Funds.

Item 15 - Custody

The Adviser is deemed under Rule 206(4)-2 of the Advisers Act to have custody of the assets of certain Funds by virtue of its control of the General Partner of each Fund. All assets and securities of the Funds are held by qualified custodians with the exception of assets that are considered to be “privately offered securities” under Rule 206(4)-2(b). Fund limited partners receive annual financial statements audited by an independent public accounting firm within 120 days. Fund limited partners are urged to carefully review such statements.

Item 16 - Investment Discretion

The Adviser exercises its discretion in managing the investments of each Fund subject to the Fund's particular investment objectives, policies, and strategies disclosed in its Offering Documents. In connection with this discretionary authority, the Adviser selects investments for each Fund. The Adviser exercises its discretionary authority to select investments for each Fund and to control the investments of the Funds through its control of the General Partner of each Fund, subject to the investment guidelines set forth in the governing agreements of each Fund.

Item 17 - Voting Client Securities

From time to time, the Adviser's clients will hold public company securities, and the Adviser will apply policies reasonably designed to comply with the requirements of the Advisers Act. The Adviser will vote proxies in a manner that serves the best interest of the Funds, as determined by the general partner of the relevant Fund in its sole discretion.

Item 18 - Financial Information

- A. The Adviser does not require or solicit prepayment of more than \$1,200, six months or more in advance.
- B. The Adviser does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Funds.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 - Requirements for State-Registered Advisers

Not Applicable